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ANALYSES

OF THE

SUGAR QUESTION,

COMPREHENDING

CANE AND BEET SUGAR PRODUCTION,
CONSUMPTION, CLASSIFICATION COST
VALUE, DUTCH STANDARDS, DUTIES,
DRAWBACK, REVENUE, REFINING,
TARIFFS, TARIFF PLANS, TABULAR EXHIBITS, OFFICIAL STATISTICS, RELEVANT DEDUCTIONS, AND

CONSUMERS' INTERESTS,

BY

HENRY A. BROWN,
EX-SPECIAL TREASURY AGENT, U. S.
Address, Saxonville, Mass.
1879.

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SECTION I.

FOREIGN CANE SUGAR—COUNTRIES OF PRODUCTION—METHODS OF PRODUCING—RELATIVE MAGNITUDE OF THE TRADE—CONSUMPTION IN GREAT BRITAIN AND THE UNITED STATES—DUTIES FROM SUGAR COMPARED WITH OTHER ARTICLES OF DUTIABLE IMPORTED MDSE.—OFFICIAL DATA AND DEDUCTIONS THEREFROM—EVASIONS OF DUTY—OFFICIAL RESPONSIBILITY—DEMAND FOR MANUFACTURE AND CONSUMPTION, ETC.

History informs us that Sugar Cane was cultivated and the juice used as food in Arabia and China in the beginning of the Christian Era, and that it first found its way into Europe from China, the East Indies and Arabia; the raw juice of the Cane and Syrup made therefrom being the only form in which it was then used; Sugar cane thus introduced to Sicily, was from thence planted by the Portuguese on the island of Madeira and there attained great perfection; the plant was soon afterwards introduced to and cultivated in the West Indies.

Sugar cane is undoubtedly indigenous in Brazil, although it may have been there introduced from the Canary Islands. It is known that Sugar cane was brought from the Brazils and the Canary Isles and planted in the Island of Cuba, and that the Spanish possessions in that neighborhood, encouraged by superior market facilities, soon relatively outstripped other countries in the production of Sugar; in the beginning of the 15th century the art of properly crystallizing and refining Sugar was discovered, and since that time the culture of the Sugar cane has steadily increased and become a leading agricultural industry in many parts of the world.

Sugar cane was imported from Brazil into the Island of Barbadoes,
Sugar mills were soon established and ive trade in-
ed, it being found impos hite the cul-
of Sugar cane in so ho Sugar
reached the summit ious
were made by plant ll
in all the countrie
many islands of the
ly the great central Su
mart continues to be
for both cane and beet

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Sugar of cane or cane Sugar is known as the principal Sugar of commerce; similar Sugar is produced from the beet root in large quantities, and from the maple and palm trees in limited quantities. The annual production of cane Sugar throughout the world is known to exceed 3,750,000 tons, about 8.400,000,000 lbs. at the present time. The principal countries of production report approximately as follows in tons:

India proper	1,500,000	Cuba, Porto Rico, etc.	750,000
Br. W. I. Demerara, etc.	250,000	Java, etc.	220,000
Fr. W. I. Guiana, etc.	160,000	Brazil	130,000
Mauritius	125,000	Philipine Islands	120,000
China, etc.	100,000	Louisiana	100 000
Egypt	75,000	Peru	55 000
Mexico	35,000	Other countries	130,000

Approximate annual production of Cane Sugar..........3,750,000
Ditto of Maple, Palm and similar Sugar... 120,000
Ditto of Beet Root Sugar in Europe.....................1,465,000

Total annual product of cane and assimilative Sugar. ..5,335 000

Of the annual beet Sugar crop, France reports 420,000 tons; Germany, 390,000 tons; Austria, 335,000 tons; Russia, 220,000 tons; Belgium, Holland, etc., 100,000 tons. The production of cane and beet root Sugar is on the increase, and the capacity of production of crystallizable raw Sugar is evidently ample to continue in advance of the utmost capacity of consumption for many decades to come; an apparent short crop of cane Sugar, and a fractional rise in price of raw Sugar, brings forward enormous supplies from India, Egypt, and other remote countries; hence the danger of speculating for a rise in prices of raw Sugars.

Syrup formed from the juice of the Sugar cane or Sugar beet, readily crystallizes when properly treated for the purpose; the saccharine strength of pure raw cane Sugar is from 99 to 100 per cent of its bulk, but the per cent of crystallizable Sugar therein varies materially in different raw Sugars; hence the actual value of raw Sugars used for refining has necessarily come to be measured and determined by the amount of crystallizable Sugar contained in the raw material. This is found by testing the raw Sugar in the polarimeter and by other analyses and expert knowledge.

There are, aside from local names, five general classes of raw cane Sugars—Melado and Concrete, Muscovado or natural drained Sugars, Molasses Sugars, Clayed Sugars, and Centrifugals. With the latter may be classed Derosnes or vacuum pan raw Sugars, which have been largely superceded by Centrifugals. Clayed Sugars have also been mostly superceded by centrifugals and dry Muscovadoes, the process of claying being very tedious and more expensive than natural draining, or the centrifugal process of cleansing raw Sugars.

Melado or concrete is the product of cane juice, concentrated by boiling and evaporating to the verge of crystallization. When cool it forms a mixture of Sugar and Molasses rich in crystallizable Sugar, and is sent in tight casks to market. Muscovado Sugar is the product of cane juice, concentrated and defecated by boiling and evaporation, until the

Syrup will crystallize when cool; lime is added during the process to correct acidity and facilitate defecation; the Syrup is also skimmed from time to time, and ladled from one kettle to another, meanwhile increasing the heat at each remove, until the process is complete. The Syrup is then cooled and crystallized, after which it is packed, and when drained it is ready for market.

The process of draining also raises the color of the Sugar to a light shade, and increases its value proportionately, as the Sugar is almost entirely freed from Molasses, and is therefore virtually pure Sugar. Molasses Sugar is the product of drainings from the Muscovado Sugar, these drainings are boiled, defecated and concentrated to the point of crystallization in the manner already described.

Clayed Sugar is produced by pouring Syrup that has been concentrated as above described, to the point of crystallization, into moulds closed at the apex, where it is allowed to cool and crystallize; after which the apex of the mould is opened and the Sugar drained. A layer of wet clay is then spread upon the surface of the Sugar, the moisture from which leaches and purifies the Sugar. When the clay becomes dry the process is repeated, until the surface of the Sugar becomes white. The cone is then removed from the mould and divided into three grades, as follows: white, from the surface; yellow, from the centre; and brown, from the apex of the cone.

Centrifugal Sugar is raw cane Sugar purged from Molasses by the rapid motion of a revolving cylinder perforated with holes; the wet Sugar is placed in the centrifugal machine, which is then made to revolve about 1,500 times a minute; this action throws off the Molasses and liquid impurities in a few moments, leaving the raw Sugar comparatively clean, dry, and, when not doctored to evade duty, quite light in color. The centrifugal process has been known and, to a limited extent, practiced inCuba for nearly thirty years; but since 1871 its employment has rapidly increased and been subverted, in order to evade duty under the color standard, as will be shown elsewhere.

The cane Sugar Molasses of commerce is the uncrystallizable Syrup that naturally drains from raw Sugars after crystallization, or is eliminated therefrom by the centrifugal process of leaching; the cane Sugar Syrup of commerce is produced in a similar manner from refined Sugars after recrystallization. Both Molasses and Syrup are also made directly from cane juice and raw Sugar Syrup. Assimilative Syrup is also made from artificial glucose, and sold in large quantities as cane Sugar Syrup. Consumers, who have little knowledge of such devices, often prefer glucose Syrup to that of cane Sugar on account of its peculiar appearance and flavor; glucose Syrup is, however, very inferior to pure cane Sugar Syrup for sweetening purposes.

According to reliable data and official records, more than 1,800,000,000 lbs. (eighteen hundred million pounds) of foreign and domestic raw Sugar is consumed annually in the United States, exclusive of Melado;

upwards of four-fifths of which, as shown elsewhere, is foreign cane Sugar. The exports of refined Sugar, the product of foreign dutiable Sugar, from the United States in 1876–'77–'78, amounted to 4.63 per cent of the volume of foreign dutiable Sugar entered into consumption in this country during the years named; consequently 95.37 per cent of the foreign dutiable Sugar that enters into consumption is eaten by the people of this country. If duty free Sugar and home product be added, the people of this country consume as food about 96.50 per cent of the entire volume of raw Sugar entered annually into consumption in the United States.

Continental Europe, Great Britain and her dependencies, with the United States, annually consume upwards of three million (3,000,000) tons of raw sugars; but for purposes of assimilate comparison, the United States and Great Britain present the essential elements; the people of these countries being the largest consumers of Sugar per capita in the world, the relative consumption being, according to the official data of both countries and deductions therefrom, as follows:

CONSUMPTION PER CAPITA OF RAW SUGAR IN GREAT BRITAIN.

Year.	Population.	Pounds Raw Sugar.	Pounds per capita.
1870	31,100,000	1,492,664,320	48.00
1874	32,200.000	1,912,612,800	59.40
1875	32,400.000	2,111,650,240	65.17
1876	32.700,000	1.909.461.120	58.39
1877	33,000,600	1,869,710.080	56.66
1878	43,800,000	2,103,427,200	62.25

CONSUMPTION PER CAPITA OF IMPORTED RAW SUGAR IN THE UNITED STATES.

Year.	Population.	Pounds Raw Sugar.	Pounds per capita.
1870	38.558,000	1,183,089.146	30.68
1874	42,856,000	1,511.456,915	35.27
1875	44.060,000	1,575.893 948	35.77
1876	45,316,000	1.561 880,545	34.47
1977	46.624,000	1,486 072,996	31.87
1878	47,983,000	1,583,243 440	32.99

The above tables relate to all dry raw Sugars consumed in Great Britain, which is not a sugar-producing country, but relate only to imported dry raw Sugars consumed in the United States; consequently an average annual consumption of fully (5) five pounds per capita should be added to the latter for Louisiana and Maple Sugars annually consumed, which would make the total consumption of raw Sugars per capita in both countries compare as follows:

Year.	Gt. Britain, per cap., lbs.	United States, per cap., lbs.	Excess Gt. Britain, per cap., lbs.
1870	48.00	35.68	12.32
1874	59.40	40.27	19.13
1875	65.17	40.77	24.40
1876	58.39	39.47	18.92
1877	56.66	36.87	19.79
1878	62.25	37.99	24.26

Doubtless the people of the United States actually eat as much Sugar per capita as do the people of Great Britain; but the latter feed large quantities of cheap raw Sugar to cattle and use Sugar more extensively in brewing than is the case in this country, which partly accounts for the difference in consumtion per capita. But the fact is evidenced that the people of Great Britain are enabled to eat and profitably use more Sugar per capita than the people of this country, simply because they could obtain the raw Sugar without restriction as to grade under a classified tariff, and at present can obtain any quality free of duty. When the duty on Sugar was high in England consumption was small.

For instance, in 1860, under high duty on Sugar in England, her people, numbering 28,984,000, consumed 1,003,676,800 lbs. of raw Sugar, or 34.63 lbs. per capita, while in 1870, under a reduced tariff, the consumption rose to 48 lbs. per capita, and after the abolition of duty on Sugar in 1874, the consumption reached 59.40 lbs. per capita for that year, and 65.17 lbs. per capita in 1875. This too rapid increase has now settled down to about 62 lbs. per capita.

Although not prepared to abolish the duty on Sugar, Congress can readily understand the lesson taught by England in this regard, to wit, that the lower the duty on Sugar the greater the consumption; but so long as duty is levied, a scale of duties should be maintained designed to include several classes of Sugar within each range of duty.

Cuba, Porto Rico, and other Spanish possessions convenient of access to this country have long supplied nearly the whole of the raw Sugars annually imported into the United States; in other words, the relative proportion of dutiable Sugar and Melado imported from the different foreign countries during 1876 and 1877 was as follows:

	From Cuba alone, lbs.	All Spanish possessions, lbs.	All other countries, lbs.	Total declared imports, lbs.
Sugar....	1,934,577.513	2,339.011,892	659,405.695	2,998,417,587
Melado...	118,573,927	118,758,473	405,462	119,163,935
Total ..	2,053,151,440	2,457,770,365	659.811,156	3,117.581,522

The extent to which Cuba and adjacent Spanish possessions absolutely depend upon this country for a market for their Sugar crop, will be seen in the following table, accurately compiled from official reports in relation to Sugar exported from Cuba alone, disposition thereof, and per cent exported to the United States during the years 1870 to 1877 inclusive:

Total Cuban Exports.		To the U. S.	To other countries.	Per cent to U S.
1870	659,792 tons.	346,222 tons.	313,570 tons.	52.47
1871	470,941 "	337,426 "	133,513 "	71.65
1872	624,464 "	401,364 "	223,100 "	64.27
1873	714 960 "	479.373 "	235.587 "	67.04
1874	617 646 "	481.639 "	136.007 "	77.97
1875	661.058 "	469.049 "	192.009 "	70.95
1876	537,747 "	435.174 "	102.573 "	80.92
1877	460.810 "	418.876 "	41,934	90.89

The United States are no longer wholly dependent upon Cuba for an adequate supply of raw Sugar, and unless Spain quickly removes the nearly prohibitory tariff discrimination that exists in Cuba against American mdse. a large portion of our future supplies of raw Sugar will be drawn from Sugar producing countries where we can buy Sugar cheaper than in Cuba and stand some chance of selling our own mdse. on favorable terms in return; the annual beet sugar crop of Europe and increased production in remote countries, has virtually placed the future control of the Cuban Sugar crop in the hands of American importers and refiners.

All future attempts to refine or semi-refine raw Sugar in Cuba and other producing countries, and force them upon consumers in this country will be found impracticable and unprofitable under any tariff; the raw material of all grades is what we must have; Sugar producing countries have natural advantages of production, while we have natural advantages of manufacture; so far as the consumption of Sugar in this country is concerned Sugar of different grades would naturally be produced in foreign countries and be manufactured in the United States, hence the necessity of maintaining a Sugar tariff with a scale of duties assimilating to these natural conditions so long as we require a large revenue from Sugar and cannot produce an adequate supply of raw Sugar in our own country.

India alone cultivates Sugar cane on about 3,750,000 acres of her lands, producing annually an average of nearly half a ton of Sugar to the acre; her annual Sugar crop has been officially estimated at only 8 cwt. per acre, or 1,500,000 tons. This minimum yield, it is well known, can readily be increased to one or even two tons per acre under the stimulus of demand, and India raw Sugar can, without doubt, be laid down in this country quite as cheap, even counting time, as similar grades can be imported from Cuba at the present time. Brazil, China, Egypt, India, the Pacific Isles, Mexico, West Indies, Louisiana, Europe with her beet Sugar and other producing regions, are urgent competitors with Cuba for this market, and will at any time gladly supply our entire demands for raw material of all grades if need be.

Let us now observe the prominent position Sugar occupies as a source of revenue and international commerce, but first a brief explanation in regard to United States official statistics.

The functions of the Bureau of Statistics at Washington are manifold. For the purpose of this work two only need be explained; a current record is kept of all imports and exports of mdse., quantity, value, &c., as declared on Custom House entries and invoices. All such preliminary statements are useful and necessary in order to approximately determine the condition of the current trade of the United States with other countries, but do not furnish reliable data upon which to base tariff legislation.

A final record is compiled in said Bureau, under the title "Home Consumption," from the liquidated accounts of Collectors and other

Treasury Department and Custom House records, which correctly determines the completed transactions of the Government with importers, and vice versa; said record furnishes reliable data upon which honest statements must be based.

It is deeply to be deplored that Treasury officials have done much to mystify and throw doubt upon the necessarily duplicated records of the Bureau of Statistics, notably in statements made by the Department that create false impressions in regard to the balance of trade with other countries, wherein preliminary entries are used, while undervaluations of merchandise and exaggerations in export entries have been entirely ignored, although at the same time Treasury bulletins continually announced discoveries by special agents of losses of "millions of dollars of duty per annum by enormous undervaluations of imported merchandise."

The relative amounts of dutiable imported Sugar and Melado consumed, as compared with all other dutiable imported merchandise consumed, and of the revenue from dutiable Sugar and Melado, as compared with the revenues from all other imported merchandise consumed in the fiscal years 1876–'77–'78, were as follows:

	Dutiable mdse. consumed.	Sugar and Melado.	Ratio per cent
1876	$324 024 926	$67,011,896	20.68
1877	298,989,240	73.772.517	24 67
1878	297 083,409	80.369 552	27.05
Total	$920 097,575	$221,153.965	24 93

	Duty there from.	From Sugar and Melado.	Ratio per cent.
1876	$144,982,442	$39,438,414	27,20
1877	128,223.207	35 268,294	27 50
1878	127,015,185	37,075 427	29 18
Total	$400,220,834	$111,782,135	27 93

Should imported Molasses be added, the difference is largely increased in favor of Sugar, Melado, and Molasses, as against all other dutiable articles imported, and the same as regards duty therefrom, the actual condition being as follows:

	Dutiable mdse. consumed.	Sugar and Molasses.	Ratio per cent.
1876	$324 024 926	$75,724,011	23 36
1877	298 989,240	81,107 711	27.12
1878	297,083 409	87,229,869	29.36
Total	$920,097 575	$244,061 591	26.52

	Duty here from.	From Sugar and Molasses.	Ratio per cent.
1876	$144,982,442	$41 886,072	28 89
1877	128 223,207	36,947 139	28.81
1878	127,015,185	38,887,951	30 61
Total	$400,220,834	$117,721 162	29.41

It thus appears that dutiable Sugar and Melado constituted an average of 24 03 per cent. of all dutiable merchandise entered into consumption during the fiscal years of 1876-7-8, and yielded an average of 27.93 per cent. of the duty received from dutiable merchandise entered i to consumption during those years while dutiable dry and wet Sugars and Molasses constituted an average of 26.52 per cent. of all dutiable merchandise entered into consumption during the years named, and yielded, under the present tariff, an average of no less than 29.41 per cent. of the entire revenue from Customs duty collected on all dutiable merchandise entered into consumption during the three fiscal years.

There is abundant evidence that had the full duty on the higher grades of dry Sugars been collected during the years named, the revenue, under the present tariff, from Sugar, Melado and Molasses would have exceeded 35 per cent. of the entire revenue from Customs duty on all dutiable merchandise entered into consumption during the fiscal years 1876-7-8.

The inducements to evade duty on high grades of raw Sugar are very great, inasmuch as the evasion of one classification line above 7 D. S. under the tariff would be a clear gain of $3,125 duty evaded on a cargo of 1,000,000 pounds; when Sugar to No. 13 to 16 D. S. actual foreign value is entered as No. 7 D. S. in color, which has repeatedly been done with Centrifugal Sugars, an illicit gain of $6,250 accrues to revenue evasionists on a cargo of 1,000,000 pounds, and with higher grades the inducements to evade are still greater. It will be made evident in these pages that No. 7 D. S. apparent in color has stood for No. 10, No. 13, and even No. 16 D. S. actual in cost, in the principal transactions of the past few years in the entry of dutiable Sugar of a high foreign value, falsely toned in color to evade duty; to burden low grade raw Sugars, which never evade duty, with a high grade tax or uniform duty to No. 13 D. S., in order to legalize the present illicit practice of entering high grade Centrifugals at low grade rates of duty, would outrage consumers and refiners of low grade Sugars merely to put money in the pockets of a few refiners and importers of Centrifugal Sugars.

Evasions of duty are possible on all imported dutiable merchandise. In this country, under any tariff, unusual facilities are provided for the safe practice of such evasions, chiefly through maladministration of the Customs service, not so much at Custom Houses, but at the Treasury Department, from whence all instructions to Collectors and other officers of Customs emanate.

Special agents and bureau officials run the Customs machinery of this country over the signatures of the Secretary of the Treasury and his assistants, and will continue to do so until Congress interferes and enacts that the Customs branch of the Treasury Department shall be conducted on strictly business principles, by a competent and responsible Board of Customs Commissioners, appointed by and accountable to Congress, who will execute existing revenue laws that are not properly enforced; the Customs service has been turned into and employed as a political wire-pulling machine by ambitious executive officials.

Certain Special Treasury Agents claim that the Government loses $25,000,000 of Customs revenue annually by the repeal of the moiety acts, a large part of which is Sugar duty, and they clamor loudly for the restoration of said acts. If Congress will look up the law under which said agents are appointed, noting the duties required of them by law, and then investigate the facts and official records in regard to their official employment during the past few years, that august body will find that the Government loses at least $50,000,000 of revenue annually by executive subversion of the functions of Special Treasury Agents, and through their incompetency and dereliction of public duties which they are appointed and well paid to perform. Evasions of Sugar duty on high grades are abetted and made easy by such delinquencies.

Low grades of raw Sugars are a necessity to consumers, and constitute a most important factor to be considered in the proper adjustment of duty on raw Sugar approximately in accordance with its actual foreign market value, in order to obtain the raw material of all grades for manufacturing at the minimum cost for the benefit of consumers. The importation of all grades of raw Sugar for refining purposes upon an equal footing as regards cost enables consumers to have a much larger choice of Sugars, and encourages the production of raw Sugar for a market made by the capacity of American refiners. These points are fully unfolded elsewhere in this work.

The classification of facts produces reliable evidence that the natural demand in this country for foreign raw Sugars of *actual natural color* and foreign value, to be manufactured for consumers, has, since 1875, come to be approximately as follows: about 20 per cent not above No. 7, D. S., including Melado; about 25 per cent above 7 and not above 10 D. S.; about 35 per cent above 10 and not above 13 D. S., and about 20 per cent above No. 13 D. S., all of *natural color* and value. This pro rata also coincides with the average foreign cost of the Sugar imported, with the product of refineries, and with abundant sworn testimony officially recorded.

It is, therefore, evident that the nearer we maintain the duty on raw Sugar material in accordance with the above natural classification or trade lines and the actual foreign value, the greater the justice to consumers, importers, producers and refiners. (See Duty Section, IV.) Beyond this the question is simply one of Executive ability to enforce revenue laws, prevent evasions of duty, and collect the proper revenue, all of which is practicable under existing laws, and the proper administration of the Customs service.

SECTION II.

SUGAR STATISTICS—TABULAR STATEMENTS—OFFICIAL DATA—DEDUCTIONS AND EXPLANATIONS—EVIDENCES OF DUTY EVASIONS ON HIGH GRADES COST OF RAW SUGAR—CONSUMPTION—GRADES APPARENT FOR DUTY—GRADES ACTUAL IN VALUE—DUTY COLLECTED, DRAWBACK PAID—NET DUTY RECEIVED—RATE PER POUND—RATE AD VALOREM—RELATIVE SUGGESTIONS, ETC.

In order to effectually correct public abuses and evils known to exist, we must discover the why and wherefore of their existence and growth. Too often, from want of reliable data to illustrate the question at issue and unfold the methods of great abuses, and upon which tariff legislation can be safely based, designing tradesmen and political mountebanks, with their official allies, carry the day against public interests, honest merchants, manufacturers, and honorable legislators, who lack the specific information required to defeat chicanists.

The following tables exhibit reliable statistics compiled from official records, and the final liquidated transactions relating to customs between the Government and importers and manufacturers of dutiable raw Sugar entered into consumption in the fiscal years named therein, with deductions and analyses fully explaining and illustrating important topics of the Sugar question. The first tables, I. to VI., inclusive, present accurate data relating to dutiable imported Sugar, Melado, and Molasses, actually entered into consumption, declared value, cost per pound or gallon, duty received, and rate per pound or gallon:

I.	Dutiable Sugars. Entered into consumption.	Dutiable Sugars. Declared value.	Dutiable Sugars. Cost per lb.
1875	1,575,893,948 lbs	$69,292,009	4.3969 cents.
1876	1,561,880,545 lbs	63,860,713	4.0887 "
1877	1,455,387,854 lbs	71,849,089	4.9360 "
1878	1,552,875,112 lbs	78,986,070	5.0864 "
Total	6,146,037,459 lbs	$283,987,881	Av. 4.6206 "

II.	Declared value.	Duty received.	Rate per lb.
1875	$69,292,009	$33,380,643	2.12 cents.
1876	63,860,713	37,625,064	2.41 "
1877	71,849,089	34,337,350	2.36 "
1788	78,986,070	36,387,464	2.34 "
Total	$283,987,881	$141,730,521	*Av. 2.30 "

* Total average for 1876, 1877, 1878, under the present tariff, 2.37 cents.

III.	Melado. Entered into consumption.	Melado. Declared value.	Melado. Cost per lb.
1875	73,145,139 lbs	$2,489,897	3.404 cents.
1876	96,751,914 lbs	3,151,183	3.250 "
1877	49,650,354 lbs	1,923,427	3.873 "
1878	36,691,376 lbs	1,383,482	3.770 "
Total	256,238,783 lbs	$8,947,989	Av. 3.492 "

IV.	Declared Value.	Duty Received.	Rate per cent.
1875	$2,489,897	$1,269,442	1.73 cents.
1876	3,151,183	1,813 354	1.87 "
1877	1,923,427	930,944	1.88 "
1878	1,383,482	687,963	1.87 "
Total	$8,947,989	$4,701,703	Av. 1.83 "

V.	Molasses.	Molasses.	Molasses.
	Entered into consumption.	Declared value.	Cost per gall.
1875	$43,220,697 galls.	$10,409,255	24.08 cents.
1876	39,213,804 "	8,712,115	22,21 "
1877	29,000,397 "	7,335,194	25,29 "
1878	26,855,764 "	6,860,317	25,54 "
Total	$138,290,662 "	$33,316,881	Av. 23,91 "

VI.	Declared Value.	Duty Received.	Rate per gall.
1875	$10,409,255	$2,495,189	5,77 cents.
1876	8,712,115	2,447,658	6,24 "
1877	7,335,194	1,812,525	6,25 "
1878	6,860,317	1,678,485	6,25 "
Total	$33,316,881	$8,433,857	Av. 6.05 "

In March, 1875, Congress increased the duty on Sugar, Melado, and Molasses, by adding 25 per cent ad valorem to the 1870 schedule of duties, hence the small amount of duty and low rate per pound in 1875, as compared with 1876; it should also be borne in mind, that in 1876 of the whole volume of Sugars entered into consumption, 56,891,258 pounds of Sugar warehoused prior to March 3, 1875, under the previous tariff was withdrawn for consumption in 1876 at the former rate of duty; the balance consumed in that fiscal year, 1,504,989,287 pounds was imported in 1876, and paid the present duty, amounting to $36 450,698, which increases the rate per lb. of duty paid on 1876 Sugar imports consumed from 2.41 cents per lb. to 2.4219 cents per lb. as against 2 36 cents per lb. in 1877, and 2.34 cents per lb. in 1878; the average of gross duty paid during four years, of 2.30 cents per lb. is therefore below the actual average since the addition of 25 per cent in 1875; the average of duty paid being for the years 1876–'7,–'8, 2.37 cents per lb. as noted under Table II.

Tangible evidences of evasions of duty on high grades of Sugar multiply under truthful and thorough analysis. The above six tables present vivid illustrations in this regard; in tables I., III., it will be observed that the average foreign cost of imported raw Sugar per lb. has regularly increased from 4.0887 cents in 1876, to 4.9360 cents in 1877, and to 5.0864 cents in 1878; indicating beyond question that the average grade of all imports of Sugar consumed in those years, actually increased and was above No. 13 D. S. according to foreign prices current of raw Sugars in the years named, as confirmed by testimony given before the Ways and Means Committee, by samples before me and by official data.

In the official statement in the Bureau of Statistics of average cost of raw Sugars at place of shipment, computed in coin on the basis of prices current in the fiscal years 1876–'7, is recorded as follows:

Sugar not above No. 7 D. S.......	in color,	per	ponnd	3 50	cents.
Sugar above 7 not above 10 D. S...	"	"	"	4.50	"
Sugar above 10 not above 13 D. S...	"	"	"	4.75	"
Average cost of low grade Sugars..	"	"	"	4.25	"
Melado and Cane Syrup...		"	"	3.50	"

According to the sworn testimony of Importers and Refiners as officially recorded, the prices paid foreign producers for raw Sugars imported in 1877, 1878, average as follows:

Sugar not above No. 7 D. S.......	in color,	per	pound	3 25	cents.
Sugar above 7 not above 10 D. S...	"	"	"	3.75	"
Sugar above 10 not above 13 D. S..	"	"	"	4	"
Average cost of low grade Sugars.	"	"	"	3.66	"
Melado and Cane Syrup..........		"	"	2.75	"

The facts are thus established beyond controversy, that the actual grade of imported raw Sugars has regularly increased during the years 1876-7-8 through trade manipulations of Centrifugal Sugars to evade duty; judging from duties paid, the average grade of imported raw Sugars apparently grows lower every year; honest importers have been deceived in this, and led to testify that the bulk of all imported Sugar was cheaper, of lower grade and poorer in quality in 1878 than ever before; confined to individual importations, more actual lowest grades were imported by them, but when covering all transactions in imported Sugars, it is simply impossible to controvert the facts in evidence that such was not the case.

Accepting the reliable evidence that the average grade of imported dutiable Sugar consumed has approximated to above No. 13 D. S. in foreign value, reference to table No. II. above, exhibits for 1876-7-8, the constant decrease of duty rate per lb. in each year, and the continuous increase of actual foreign cost; clearly showing that false sampling, grading and classification of high grades for duty, increased each year; in 1876 the duty per lb. averaged 2.42 cents; in 1877, 2.36 cents; in 1878, 2.34 cents; apparently indicating an average grade of imported Sugars of 8½ D. S. for the three years named; the difference between this apparent average grade, and the actual average grade established by the foreign cost of the raw Sugar in the years named, and by the quality and value of the raw Sugar in this market, exhibits clearly the approximate amount of duty evaded by color toning, false sampling, grading and classification for duty of Centrifugal and other high grades of dutiable Sugars in those years.

In other words, it appears that the payment of nearly half a cent (44.25) per lb. on 4,570,143,511 lbs. of dutiable Sugar consumed in 1876, 7-8, or about $20,222,885 of duty, has been evaded upon natural grades above No. 7 D. S. and largely above No. 13, and the operators finding the pursuit getting hot, now propose to discriminate against No. 7 and 10 Sugars, in order to legalize illicit transactions amounting to 6,740,961 dollars per annum.

This estimate coincides with the writers former analyses of duty evasions on Sugar, wherein similar conclusions were reached in every instance, all being nearly identical in substance, the following excerpt from the writers pamphlet on "Sugar Frauds and the Tariff," issued January, 1879, illustrates this fact; drawback is omitted in each case.

"The evidence preponderates, that so far as imported dry Sugars entered into consumption in this country, the actual average grade thereof, measured by the Dutch Standard, is above No. 10; consequently the proper average rate of duty cannot reasonably be fixed at less than 2.8125 cents per lb. The following result, I am satisfied, is below the actual facts as regards duty evasions on dry Sugars imported and entered into consumption in the two fiscal years 1876–1877:

Entered into consumption.	Duty Received.	Rate per lb.
3,017,268,399 lbs	$71,962,414	2.3850 cents.
Entered into consumption.	True Rate of Duty.	Proper Duty.
3,017,268,399 lbs.	2.8115 cents.	$84,860,673
Duty actually liquidated 1876–1877		71,962,414
Nett Duty discrepancies 1876–1877		$12,898,259

By reference to table No. III above, it will be seen that Melado is quite as valuable in the foreign market of production as dry Sugars grading below No. 7 D. S. natural color; therefore there is no valid reason why Melado should not hereafter pay the same duty as No. 7 D. S. raw Sugars. The falling off in receipts of Melado since 1873 seems to be due to the fact that producers can, by extra boiling and the Centrifugal process, obtain a more profitable yield in Centrifugal Sugar and Molasses from concentrated Syrup, than can be obtained by selling the same as Melado in the market of production; hence but little is imported at the present time.

Having thus exhibited approximately the extent to which the revenue suffers annually by evasions of duty on the higher grades of imported raw Sugar, without entering the field of individual crimination, official collusion, and administrative inanity; I would urgently reiterate the necessity of executing existing revenue laws efficiently, in order to suppress and prevent the recurrence of these public abuses, which reform will never be accomplished through tariff tinkering, special agents' investigations, and the half-way measures hitherto employed by the Government.

Much less can existing evils be remedied through legislating to limit the natural grades of raw sugar material now imported, to Centrifugals and similar high grades, by enacting a uniform rate of duty up to No. 13 D. S., which is the grade line of the principal duty evasions practiced heretofore and at the present time. Such discrimination against actual low grades, which have never evaded duty under the present standard, would be an attempt against the people, to prohibit the importation and use of low grades of raw Sugar now imported to meet and supply the necessary wants of consumers.

The duty topic of the Sugar question is fully analyzed and treated elsewhere in this work, yet it cannot be too often impressed upon Congress and the Government that the importation of raw sugar material, of every distinctive trade grade, should be encouraged by avoiding all semblance of discrimination against any grade, and levying duty and enforcing its collection upon natural and well-known trade classifications, according to their natural color and actual foreign market value.

The following tables, Nos. VII. to XII. inclusive, compiled from official records, and arranged with deductions and illustrations, exhibit and relate to dutiable imported Sugar and Melado entered into consumption, liquidated duty thereon, declared value, duty received, rate per lb.; refined Sugar exports, value thereof, drawback paid, rate per lb.; nett duty from Sugar, foreign cost of raw Sugar per lb., nett duty received per lb., etc., for the fiscal years named, and furnish reliable data for reference:

VII.	Dry Sugar consumed, lbs.	Melado consumed, lbs.	Total Sugar consumed, lbs.	Declared value.
1876	1,561 880.545	96,751.914	1,658.632,459	$67,011 896
1877	1,455,387,854	49,650,354	1,505,038,208	73,772.517
1878	1,552,875.112	36,691,376	1 589,566.488	80,369,552
Total	4,570,143,511	183 093,644	4,753,237,155	$221,153,965

VIII.	Total Sugar consumed lbs.	Declared value.	Duty received.	Rate per lb.
1876	1.658,632,459	$67 011,896	$39,438,414	2.3777 cents.
1877	1,505,038,208	73,772,517	35,268,294	2.3433 "
1878	1,589,566,488	80,369,552	37,075,427	2.3224 "
Total	4,753,237,155	$221,153,965	$111 782,135	2,3517 "

IX.	Exports refined Sugar, lbs.	Declared value.	Drawback paid.	Rate per pound.
1876	72,713,922	$7,806,159	$2,613,525	3.59 cents.
1877	64,729,899	7.542,823	2,253,959	3.48 "
1878	74,058,920	7,289,207	2,330,083	3 14 "
Total	211,502,741	$22,638,189	$7,197,567	3.40 "

X.	Total Sugar consumed, lbs	Duty received.	Drawback payments.	Net duty received.
1876	1,658,632,459	$39.438,414	$2,613,525	$36,824.889
1877	1,505,038,208	35,268,294	2,253 959	33,014,335
1878	1,589,566,488	37,075,427	2,330,083	34 745,354
Total	4,753,237,155	$111 782,135	$7,197,567	$104,584,578

XI.	Sugar consumed, pounds.	Declared value.	Net duty received.	Rate per pound.
1876	1,658,632,459	$67,011,896	$36,824,889	2.2201 cents.
1877	1,505,038,208	73,772,517	33,014,335	2.1935 "
1878	1,589,566,488	80.369,552	34,745,354	2.1858 "
Total	4,753,237,155	$221,153.965	$104,584,578	2,2002 "

XII.	Sugar consumed, pounds.	Declared value.	Cost per pound.	Net duty per pound.
1876	1,658,632.459	$67,011,896	4.0401 cts.	2.2201 cents.
1877	1,505,038,208	73,772,517	4.9017 cts.	2.1935 "
1878	1,589,566,488	80,369,552	5.0560 cts.	2.1858 "
Total	4,753,237,155	$221,153,965	4.6527 cts.	2.2002 "

Established facts are beyond controversy. In tables VIII. and XII., presented above, the declared value or foreign cost of imported dutiable Sugar is seen to have largely increased each year, and the duty received therefrom has decreased inversely each year. It is sheer nonsense for anybody to claim, and beyond the power of sophistry to maintain, that in 1878, including Melado, 1,589,566,488 lbs. of Sugar costing and valued in the market of production $80,369,552, or 5$\frac{054}{1000}$ cents per lb., was not of a far higher natural grade than No. 8 D. S., upon which average classification $37,075,427, or 2.3224 cents per lb., duty was paid in 1878, when it is an indisputable and well-evidenced fact, that Sugar costing an average of 5.056 cents per lb. in the market of production would naturally grade 13 to 16 D. S.

Omitting Melado from the estimate, the case stands as follows for the fiscal year ending June 30, 1878: consumption, 1,552,875 112 pounds dry Sugar, costing and valued in the foreign market (see table I.) $78,986,070 or 5$\frac{086}{1000}$ cents per pound, paid a duty of $36,387,464, or only 2.34 cents per pound on an average grade equal to No. 8½ D. S., while the actual foreign cost and value of the Sugar consumed, evidenced in the declared value and confirmed in the home market, clearly prove that the quality, and natural grades have been on the average between No. 13 and 16 D. S., individual trade experiences, theories and testimony of interested sugar merchants to the contrary notwithstanding.

Tables VIII. IX. and X., above given, also throw light upon the subject of sugar drawback. It will be seen that during the past three years importers have been paying an average of only 2.3517 cents per pound duty on grades of raw Sugar, including Melado costing (see table XII.), 5.056 cents per pound in the foreign market of production, from which an average of fully 90 per cent. of refined product can be obtained, while refiners have been paid during the same time an average drawback on refined Sugar exports of 3.40 cents per pound. Although a reduction of drawback rates was made in 1877, the average per pound paid in the fiscal year 1878 was 3.14 cents, as against an average duty paid in that year of only 2.3224 cents per pound on dutiable raw Sugar, costing 5.056 cents per pound; the drawback rate may not be too high, but the proper duty has been evaded.

By mixing duty-free Sugars from Hawaii and Glucose with dutiable Sugar in refining, and destroying cargo identity, refiners might, if so disposed, obtain drawback in excess upon exports of refined Sugar; but this is of trivial importance compared with evasions of duty on Centrifugals entered as No. 7 D. S. by toning down the color. It is, however, useless for this Government to subsidize American sugar refining with the view of enabling refiners in this country to compete with European refiners in foreign markets; but a prohibitory duty on refined Sugar is an imperative necessity for the reasonable protection of American refiners in the prosecution of their needed industry, and should be continued for, that purpose; and in the interests of consumers, who would otherwise be cornered by foreign refiners the moment such had secured the monopoly of this market.

It has been said that if the duty on Sugar was abolished American refiners could supply the world with refined Sugars, "because they can refine Sugar cheaper than it can be refined in Europe." That such assertions are premature is apparent in table IX., wherein it appears that an average drawback bounty of 3.40 per lb. on refined exports has not enabled refiners to compete successfully with European refiners in any foreign markets, except that of our immediate neighbor, Canada.

The exports of refined Sugar from the United States to all other countries except Canada have fallen from 52,613,879 lbs. in 1876, to 37,502,662 lbs. in 1878. In 1876, 31,349,825 lbs. American refined Sugar were exported to Great Britain, while in 1877 only 26,620,574 lbs. American refined Sugar were exported to that duty free country. To compete successfully with Europe we must produce the Sugar in this country. Meanwhile American consumers will sustain American refiners; both interests being to a degree identical.

Tables X., XI., XII., exhibit plainly the actual nett amount of revenue received from duty on Sugar and Melado, after refunding a portion of said duty in drawback payments; the duty received from Sugar and Melado amounted to $111,782,135 in the three fiscal years 1876-'77-'78, of which sum $7.197,567 was refunded in drawback, leaving a nett revenue from duty on Sugar and Melado of $104,584,578, or an average of 2.2 cents per lb. in those years. This important fact is exhibited clearly in table No. XII. above given.

The following tables, XIII. to XVI. inclusive, present a comple exhibit of the grade classifications for duty of dutiable raw Sugar entered into consumption in the fiscal years 1876, 1877, 1878; declared value thereof, cost per lb., liquidated duties, and significant comparisons, wherein the modus operandi of evading duty on Sugar of high grades by color toning, false sampling, and under classification, is again made vividly evident. Full explanations follow the tables, which are compiled and deduced from official records and arranged with relevant illustrations.

Grades of dutiable Sugar entered into consumption.

XIII. Sampled and classed not above 7 D. S.	Declared value above 10 D.S.	Cost per lb.	Liquidated duty received.
1876 . . 534,822,824 lbs.	$20.344,948	3.80c.	$11.654.445
1877 . . . 757 946,855 "	37 501,481	4.94c.	16,580.087
1878 . . 860,287,182 "	41,516,497	4.82c.	18,818,782
Total . 2,153,056,861 "	$99,362,926	*4.61c.	$47,053,314

*Testimony of importers and refiners, No. 7 Sugar costs 3.25 cents.

*From estimates of experts, No. 7 Sugar costs 3.50 cents per lb.

*Average estimate of experts, No. 7 D. S. Sugar costs 3.375 cents

XIV. Sampled and classed above 7 N.A. 10 D.S.	Declared value above 13 D.S.	Cost per lb.	Liquidated duty received.
1876 . 869,785,687 lbs.	$36,593 778	4.20c.	$21,628.822
1877 . . 604.317,151 "	29,748.890	4.92c.	15,107,928
1878 . . 618 019,876 "	33 232,883	*5.37c.	15,450.497
Total . 2,092,122,714 "	$99,575,551	*4.75c.	$52,187,247

*Testimony of Importers and Refiners, No. 10, costs 3.75 cents.

*From testimony of other Experts, No. 10 costs 4.00 cents.

*Average estimates of Experts, No. 10 Sugar costs 3.875 cents.

XV. Sampled and classed above 10 N.A. 13 D S.	Declared value above 13 D, S.	Cost per lb.	Liquidated Duty received.
1876 . . 150,107,868 lbs.	$6.543,106	4.36c.	$4 092 846
1877 . . 88.462,336	4.371.003	4.94c.	2 488.003
1878 . . 72,316,574	4,110,502	5.68c.	2,033,904
Total . . 310 886,778	$15,024,611	*4.83	$8,614,753

*Testimony of Importers and Refiners, No. 13 costs 4.00 cents.

*From estimates of other Experts, No. 13 costs 4.25 cents.

*Average estimates of Experts, No. 13 costs 4.25 cents.

XVI. Sampled and classed above 13 N.A.16 D.S.	Declared value Equals 16 D. S.	Cost per lb.	Liquidated Duty received.
1876 . . . . 6,127,732 lbs.	$318 830	5.20c.	$207,593
1877 . . . . 4 536,195	218,943	4.82c.	155,931
1878 1,474,118	73,831	5.01c.	50,673
Total . . . 12 138,045	$611,604	5.03c.	$414,197

XVII. Sampled and Classed above 16 N.A. 20 D.S.	Declared Value Equals No. 20 D.S.	Cost per lb.	Liquidated Duty Received.
1876 . . . . 1,011,458 lbs.	$58,045	5.73c.	$40,107
1877 . . . . 92,477 "	6,181	6.68c.	3,756
1878 . . . . 561,068 "	35,491	6.32c.	22,793
Total . 1,665,003 "	$99,717	5.98c.	$66,656

XVIII. Sampled and Classed above No. 20 D.S.	Declared Value above No. 20 D.S.	Cost per lb.	Liquidated Duty Received.
1876 . . . . 24 976 lbs.	$2 003	8.02c.	$1 248
1877 . . . . 32,840 "	2,590	7.88c.	1,642
1878 . . . . 216,294 "	16,866	7.79c.	10,815
Total. 274,110 "	$21,459	7.82c.	$13,705

The average rate per cent. ad valorem duty actually paid in the fiscal year ending June 30, 1878, on each of the classifications for duty of imported Sugar consumed in said year, liquidation of duty being complete, is as follows: but the true ad valorem rate can only be estimated, inasmuch as it depends on honest classification, which has not recently obtained in levying duty on Centrifugal and other high grades of imported Sugar.

XIX. 1878. Classifications.	Quantity consumed, lbs.	Declared value.	Duties liquidated.	Per cent ad val.
All not above No. 7..	860,287,182	$41,516,497	$18,818,782	45.33
Above 7 N. A. 10 D. S.	618,019.876	33,232.883	15,450,497	46.49
Above 10 N. A. 13 D S.	72,316,574	4,110,502	2,033.904	49.48
Above 13 N. A. 16 D. S.	1,474,118	73,831	50 673	68.63
Above 16 N. A. 20 D. S.	561,068	35,491	22,793	64.22
All above 20 D. S. ...	216,294	16,866	10,815	64.12
Total dutiable in 1878.	1,552,875,112	$78,986,070	$36,887,464	46.00

The evident purpose of the Sugar tariff of 1870 was to levy a specific duty on Sugar equivalent to an ad valorem duty of about 50 per centum; and the addition of 25 per cent ad valorem levied upon said specific duty in 1875, would naturally increase the duty to 62.50 per centum on the actual cost or foreign market value of all Sugar up to No. 16 D. S. that cost not less than 3½ cents and upwards per lb. Sugar costing less than 3½ cents per lb. in the foreign market would of course pay more than 62.50 per cent ad valorem.

Under an honest classification of imported Sugars, the average ad valorem duty in 1878 would have shown about 64 per cent; for instance, about 20 per cent of all Sugar now entered into consumption is not above No. 7 D. S., including Melado. In the fiscal year 1878, there entered into consumption 1,552,875,112 lbs. of dutiable Sugar, 20 per cent of which is 310,575,022 lbs., not above No. 7, average cost say 3.50 cents per lb., amounts to $10,870,125.77; duty at 2.1875 cents per lb. would be $6,893,828.58, or 63.41 per cent ad valorem, instead of 45.33 per cent, as represented under the false classification for duty in 1878.

Other grades will conform to this true rate when honestly classified; but so long as the Government fails to attend to the collection of Sugar duty, and its agents dance attendance on Cuban Signoritas to learn from them how to levy duty on Centrifugal Sugar, which the trade find no trouble about classing, it is evident that importers of high grades will be encouraged to evade duty by the imbecility and collusive practices of officious but incapable officials.

It is in substance proposed to punish consumers for this condition of affairs, by depriving the people of the refined product of low grade Sugars, the importation of which is to be virtually prohibited, or at least greatly restricted, under a uniform duty on all grades to No. 13 D. S. Such would be the result of any uniform duty—however low—at all events when the interests of consumers are considered; and the people's interests should form the basis of tariff legislation on articles of necessary food.

The actual foreign cost or market value of the Sugar entered for duty and passed into consumption under the above classifications in the fiscal year 1878 is stated in tables XIII. to XVIII., inclusive, wherein we find that Sugar "passed" as No. 7 cost 4.82 cents per pound in the foreign market; Sugar "passed" as No. 10 cost 5.37 cents per pound in the foreign market; and Sugar "passed" as No. 13 cost 5.68 cents per pound in the foreign market, whereas Sugar "passed" as No. 16 cost only 5.01 cents per pound in the foreign market.

Vapid attempts have been made, in behalf of a uniform duty to 13, to account for this condition by charging the discrepancies to low grades. It has been said that No. 7 Sugar in Cuba brings the same price or more than Nos. 11 to 13 Sugar, and that Nos. 8 to 10 Sugar sells higher than 12 and 13 Sugar at the place of production, "because the present tariff discriminates glaringly in favor of low grades, for the production of which producers have been receiving enormous bounty;" yet the same writer also states that "No. 9 in color is worth in Cuba fully $\frac{3}{8}$ cents per pound less than No. 12 Sugar;" whereas in fact the duty discrimination between Nos. 9 and 12 is only $\frac{5}{16}$ cents per pound. As this "glaring" duty discrimination is only $\frac{5}{16}$ cents per pound between Nos. 8 to 10 and Nos. 12 to 13, while Nos. 12 to 13 Sugars cost $\frac{6}{16}$ cents per pound more than No. 9 Sugar in Cuba, it is not clear how such statements prove that 8 to 10 Sugar sells higher than 12 to 13 Sugar in Cuba; not to speak of the actual difference in the value of the Sugar, which is always an important factor in buying and selling Sugar. Neither do the Wall street selling prices of Cuban Sugars agree with such No. 13 meanderings.

It has also been vehemently urged that owing to duty discrimination in favor of low grades, the foreign prices thereof have been unnaturally enhanced beyond their proper value, to the past and present detriment of Centrifugals, Derosnes and dry Muscovadoes; yet the same theorists assert that the American market has long been overstocked with low grade Sugar which it is often next to impossible to sell at any price.

Producers never yet succeeded in maintaining exorbitant prices on any article for which there was no urgent and continuous demand in the market of consumption at equivalent prices. The fact is, No. 7 and below Sugars have for many years been and are now, as numerous samples before me prove. worth only from 2½ to 3¼ cents per lb., according to the locality of the foreign market and their intrinsic value for refining.

Furthermore, advocates of a uniform duty to No. 13 D. S., have also urged that "the building up of the Centrifugal industry in Cuba and elsewhere originated in the demand of refiners for a better class of Sugars," and that during the past decade "the proportion of Centrifugals to other Sugars imported into this country has constantly increased;" consequently there should have been an annual increase of high standard in natural color and value grades imported at the higher rates of duty which should appear in the official records of liquidated transactions, not so appearing, Centrifugals, Derosnes, and dry Muscovadoes have certainly evaded the payment of full duty.

The following table, No. XX, exhibits the grade classifications for duty of dutiable raw Sugar entered into consumption in the fiscal year ending June 30, 1873, declared value thereof, average cost per lb., and liquidated duty thereon. Comparison thereof with tables Nos. XIII. to

XIX., inclusive, above given, evidences clearly that the higher the quality natural color, and actual cost or foreign market value of all imported dutiable Sugars actually above No. 7 D. S. in natural color and value at the point of purchase, the lower the classification and grading for duty has been, and the greater have been the evasions of duty, through practices which are fully explained elsewhere, and which can readily be suppressed under existing revenue laws, when such come to be properly enforced:

Classification of dutiable Sugars entered into consumption in 1873.

XX. 1873.	Entered into consumption, lbs.	Declared value.	Cost per lb.	Duty paid.
All not above 7 D. S....	200,588,712	$9,781.864	4.87c.	$3,510.302
Above 7 N. A. 10 D. S..	860,454 194	46,342,844	5 38c.	17,209.084
Above 10 N. A. 13 D. S.	250,842.299	14 584,126	5.81c.	5,643,952
Above 13 N. A. 16 D. S.	60,881,348	3,891,759	6 39c.	1,674.237
Above 16 N. A. 20 D. S.	5,407 628	370,308	6.84c.	175,748
All above 20 D. S......	324,651	22,172	6.82c.	12,986
Total dutiable in 1873.	1,378,498.832	$74,993,073	*5.44c.	$28,226,309

	1873.	1875.	1876.	1877.	1878.
*Average cost per pound.	5.44 cts.	4.39 cts.	4.08 cts.	4.93 cts.	5.08 cts.
Av'age duty per pound..	†2.05 cts.	2.12 cts.	2.42 cts.	2.36 cts.	2.34 cts.

† See tables I. to VI., inclusive, above, for full explanation.

Prior to 1874 very little No. 7 and below Sugar was imported, the demand for such Sugar being tentative rather than established; although in the above table XX it appears that 200,588,712 lbs. of Sugar not above No. 7 was imported in 1873, the foreign average cost per lb. (4.87 cents) showed that such was not the case; evasion of duty on the higher grades was then as now practised, but to a much more limited extent than latterly as regards the number of crooked operators.

In 1878 as appears from the official data in table XIX above given 860,287,182 lbs., or nearly 60 per cent of the dutiable Sugars consumed, "passed" as not above 7 D. S., whereas the evidence is conclusive that only about 20 per cent of all imported Sugar refined is of so low a quality; the actual average foreign cost per lb. of the Sugar claimed to be not above No. 7, shows clearly that 10 to 16 grades in quality and value, have been passed as No. 7 and evaded duty by color toning and false sampling to the tune of many millions of dollars annually.

The tariff of 1870 reduced the rate of duty on Sugar and removed restrictions from low grade refining Sugars; consequently in 1871 the average duty received from Sugar was 2.54 cents per lb.; the 25 per cent ad valorem had not been added; therefore the grades imported that year, 1871, averaged above No. 13 D. S. of natural color and value; from 1871 to the present time, evasions of duty on high grades, especially 13 to 16 D. S. natural grades, have rapidly increased aided by Executive inanity, official collusion, Centrifugal doctoring and false sampling of Molasses, Sugar, Muscovadoes and Derosnes.

Evasions of dury are made easy by the greatly increased production of Centrifugals, which are made of almost uniform crystallizable capacity and value for refining, testing about 93 to 97 degrees in crystals, but beautifully toned to any shade of color to evade duty, by the introduction of caramel, lime, dark sediment and chemical substances, and by other manipulations practiced during the Centrifugal process, which turns out semi-refined, large-grained, handsome Sugar, rich in cane Sugar and crystals.

This process produces Sugar 13 to 16 D. S. in foreign market value toned down to below No. 7 in outside color to evade duty, a clearly illegal practice; and such Sugars are sold in our markets at their intrinsic value by advocates of a uniform tariff to No. 13 D. S., expressly designed to legalize these illicit transactions, and prevent or cripple the importation of honestly made raw Sugars of natural low color and quality. This is done in face of ample revenue laws, which are not enforced.

Since 1873 the demand for raw Sugars, not above No. 7 D. S. in natural color and actual foreign value, for refining, becoming permanent in the interests of consumers, has rapidly increased to about 20 per cent. of the annual importations of dutiable Sugar entered into consumption. The recent short crop in Cuba opened out, as if by magic, the more remote sources of raw Sugar supply. An influx of low grade raw Sugars further stimulated the manufacture and consumption thereof in the United States, quickly reducing the cost of this article of food to consumers in recent years.

These low grade Sugars have become a food necessity, because from such grades only can a correspondingly cheap, pure refined cane Sugar be produced to meet the wants of the masses. The people, therefore, whose wants have thus been adequately met, now demand that low grade Sugars No. 7 and below shall be imported and classed as such for refining relatively cheap grades of sugar to supply their wants ad libitum, without the shadow of duty discrimination being enacted by Congress against low grade raw Sugars in favor of high grades under any pretense.

SECTION III.

IMPORTANT TOPICS OF THE SUGAR QUESTION—SUGAR PRODUCTION IN THE UNITED STATES—ITS CAPACITY AND PROTECTIVE REQUIREMENTS—THE SUGAR REFINING INDUSTRY—IMPORTANCE THEREOF TO AMERICAN CONSUMERS OF SUGAR FOOD—ITS CAPACITY AND REQUIREMENTS—ADURTERATIONS, ETC.

Before presenting the subject of levying duties on Sugar, protective, industrial, and consumers interests affected and bearing upon the question of Sugar tariff legislation should be fairly exhibited, in order that the people and their Representatives in Congress may not be led captive by the plausible sophistries of quick-witted tradesmen and their unprincipled allies who pull the wires of tariff legislation for greed or self aggrandizement, regardless of great national interests and the wants of consumers, honest merchants, and public revenue.

Cane Sugar production in the United States rightly demands the encouragement of reasonable tariff protection, which is also needed to stimulate the production of beet Sugar in this country; as has been shown elsewhere, large quantities of beet root Sugar are annually produced in Europe, and there is reason to believe that similar success can be attained in this country. Already an American beet root Sugar factory is in operation, and others are projected.

Although at present we produce only about 12 per cent., one-eighth of the cane Sugar annually consumed in this country, our natural capacity of production is evidently far greater; the industry is susceptible of profitable advancement in Louisiana, and could be made remunerative in Texas and other Southern States. The production in Louisiana alone was, in the crop year 1861-2, 528,300,000 pounds, or the highest ever known in that State in one season. The production fell to 96,000,000 pounds the following season owing to the war. In 1864-5 only 10,800,000 pounds were produced; but again the production increased to 42,900,000 in 1866-7, and since 1867-8 has been as follows in that State :

	Pounds.		Pounds.		Pounds.
1868–69....	95,100,000	1871–72 ...	146,900,000	1874–75.....	134,500,000
1869–70....	99,500,000	1872–73....	125,300,000	1875–76.....	165,450,000
1870–71....	168,900,000	1873–74....	103,200,000	1876–77.....	194,964,000

The season of 1877-78 is estimated at about 209,000,000 pounds or about 177,000 hogsheads.

As has been shown, war's devastations prostrated the cane Sugar productive industry in the United States; yet according to the ninth census, the raw Sugar of cane product of two States—Florida and Louisiana—and the capital and labor there employed in this purely native industry was, in 1870, as follows, exclusive of refining and of the capital and labor employed in cultivating the sugar cane from which the Sugar was obtained:

Houses.	Capital.	Employes.	Wages.
713	$10,248,475	21,299	$1,230,119
Materials.	Molasses, galls.	Sugar, hhds.	Value.
$6,069,271	4,368,687	77,317	$10,383,368

From the same authority we find that in 1870 the Sugar product of native growth in the United States was as follows:

Cane Sugar.	Sorghum Sugar.	Maple Sugar.
87,043 hhds.	24 hhds.	28,443,645 lbs.
Cane Molasses.	Sorghum Do.	Maple Do.
6,593,323 gals.	16,050,089 gals.	921,057 gals.

Before the war the Sugar product of the United States, as officially reported, was as follows for each decade named:

	* Cane Sugar.	Mapls Sugar.	Molasses.
1850........	247,577 hhds.	34.253,436 lbs.	12,700,896 gals.
1860........	230,982 hhds.	40,120.205 lbs.	.23,210,708 gals.

* Hhds. estimated at 1,200 lbs.; 1850—297,092,400 lbs.; 1860—277,178,400 lbs.

The decline in annual production caused by the destruction of property and the diversion of labor during the War has been partially recovered from since 1870, it being estimated that more native Sugar was made in 1878 than in any year since the War. The cane Sugar productive capacity of the United States is sufficient, with good crops, to turn out at least 500,000,000 lbs. of Sugar per annum. It is known that upwards of twenty millions of dollars capital is invested in the United States in Sugar making, in lands and labor, material and machinery, buildings and implements of culture; while at least twenty-five thousand people, doubtless more, are annually employed in producing Sugar in our own country.

Louisiana produces principally a higher grade of raw Sugar of a brilliant yellow color, rich in saccharine strength, suitable for and which generally enters into immediate consumption in the South and West, and requires no material protection against foreign low grade Sugars, fit only for refining, which do not come into competition with her handsome light colored Sugars to any extent; it would therefore be preposterous to place a duty of 2.40 cents per lb. on No. 7 and below D. S., or even on No. 10 Sugars to protect her interests.

Louisiana Sugar product particularly requires protection against foreign raw Sugars of No. 13 and above D. S. of natural color, and actual foreign value, such as Centrifugals, Derosnes, and dry Muscovadoes, which compete in value and sometimes in color with her own outturn; in the case of high gaades of these types she is entitled to a reasonable duty protection; but it must be borne in mind that we at present produce only about one-eighth of the quantity of cane Sugar required for consumption in this country. It is therefore a question for the grave consideration of Congress why seven-eighths of the necessary Sugar food for consumers should be taxed heavily merely to protect the one-eighth produced in this country.

France taxes foreign Sugars virtually to prohibition, simply because she produces more beet sugar than she requires for home consumption, and in 1878 is reported to have exported about 200,000 tons of beet Sugar to other countries. England, on the other hand, reduced the duty on Sugar, and in 1874 abolished it, because she does not produce Sugar at home, and therefore encourages an influx for competitive and manufacturing purposes, as well as for consumption; hence her enormous annual consumption per capita of over 62 lbs. (See section I.)

Clearly the national industry of Sugar production and its investments should be encouraged by all proper means; but whatever subsidy is paid by the people for such purpose should not constitute a perceptible burden upon consumers, who after all can only obtain a small part of their necessary Sugar food supply from home production, and are not likely to do more in this generation merely by the payment of a subsidy.

Sugar refining is an important national industry founded upon the demands of luxury, a basis akin to and almost as substantial as that of necessity; hence the Sugar refining industry in this country, while honestly conducted towards consumers, is in no danger of becoming obsolete for lack of consumption of pure refined Sugar among 48,000,000 of people already largely educated to consider voluptiousness in the gratification of appetite, an essential element to their comfort and well being.

Refiners of Sugar, whose interests are identical with those of the people, should protect consumers of refined Sugars against imposition and fraud in their product, even as they require to be reasonably protected by a suitable impost duty on foreign refined and semi-refined Sugars, in order to prosecute the industry of refining in this country profitably, and yet supply American consumers at lower prices than could be done by Sugar refiners in Europe under a free trade regime as regards refined Sugars. Sugar refiners should be encouraged by a reasonable duty, discriminating against foreign refined and semi-refined Sugars. The necessities of consumers also demand this, in order to give them the full advantage of a choice of Sugar food at prices suited to their means.

Official statistics recorded in the ninth census, in regard to the Sugar refining industry in the United States at the beginning of three decades, namely, 1850, 1860, 1870, present the following exhibit of the rise and progress of this great American manufacturing industry:

	Refineries.	Capital.	Hands.	Wages.	Material.	Product.
1850	23	$2 669,000	1,656	$604.248	$7,662,685	$9,898,800
1860	41	9,098,100	3,505	1,364,712	34,190,767	42,241,834
1870	59	*20,545,220	4,597	3,177,288	96,899.431	†108,941,911

* Trade data estimates the capital at $28,000,000 in 1870.

† Refined Sugar, 754,010,951 lbs.; Syrup, 18,168,279 gals.; Molasses, 839,560 gals.

Refined cane Sugar has now entirely superseded foreign raw Sugar as an article of human food in the United States; the only raw Sugars now eaten by the people of this country are Louisiana cane Sugars, made of high grade for the purpose, and used almost exclusively in the South and West, and maple Sugar. As a matter of choice, consumers who have access to refined Sugars have created this great demand for a cleaner, cheaper, handsomer, purer, and more wholesome refined Sugar than can be obtained in a raw or semi-refined state in the producing country.

The present duty on Sugars above No. 13 not above No. 16 D. S. is 3.4375 cents per pound, while under the tariff of 1864 to 1869, inclusive, the duty on No. 12 and not above No. 15 D. S. Sugar was 3.50 cents per pound. Evidently the importation of grocers' grades of foreign raw Sugars have not been prohibited by any increase of duty thereon thus far; the former demand of consumers for raw Sugar is simply superseded by the present demand of consumers for refined Sugars.

The rapid increase in consumption of refined Sugar in preference to foreign raw Sugar of even high grades, drew capital into the refining business, which became enormously profitable on the sudden transition of taste and increasing demand, from the natural increase of consumers and from the fact that instead of refining part of the raw Sugars refiners were soon required to refine nearly all imported Sugars. The capacity of producing refined Sugar quickly rose above the necessities of consumption in this country, and the foreign demand for American refined Sugar has never been great nor encouraging.

The result was inevitable; over production of Refined Sugar being simply ruinous, it became a matter of necessity to measure the national capacity of consumption of refined product and the limited foreign outlet therefor, and regulate production accordingly: In all such movements the weaker go the wall, by consolidation with the strongest or by closing up altogether. This natural reaction reduced the number of refineries to 42 in 1875.

Better and more perfect machinery, numerous improvements, the concentration of capital, and greater skill in manufacturing vast quantities of all grades of refined Sugar in the same refinery, instead of in several, has since largely increased the productive capacity of refiners and enabled them to supply from a single refinery a full choice of grades at minimum prices for the use of consumers. There being no increase in consumption commensurate with the increase of productive capacity, the number of refiners was again reduced, the strongest in capital, capacity, energy, skill, and close attention to the wants of consumers, remaining masters of the industry as a matter of course.

Thorough investigation warrants the conclusion that evasions of duty, and adulterations of refined Sugars, can no more be charged upon one class of importers and refiners than upon another. Neither can such practices be properly charged upon successful importers and refiners, more than upon unsuccessful Sugar merchants; "tricks of the trade" have doubtless conduced to the present adjustment of the refining industry, but neglect to obey the great laws of production and consumption has been the cause thereof.

Although the number of refineries has largely decreased since 1875, the productive capacity of those in operation is eeen greater than ever, and fully equal to the demand for consumption. The indnstry is one of great importance and magnitude, and absolutely indispensible to the comfort and wants of the American people. Sugar consumers and refiners interests are identical. They should, therefore, not be interfered with by tariff laws that would circumscribe the present capacity of refiners to produce all grades of refined Sugars required to meet the wants of consumers.

For such purposes, low grades of raw Sugar are indispensible, as are high grade Centrifugals, Derosnes and Muscovadoes for the profitable production of hard Sugars. It is necessary that refiners should have grades not above No. 7 D. S. natural, to enable them to make the grades suited to the wants of the majority of consumers. From such grades, apportioned with higher grades, refiners can give consumers a cheaper Sugar and better article than importers can give them. Refiners Sugars are sweeter, cleaner, and more beautiful to the eye than raw Sugars of any grade, for which reasons all foreign raw Sugars go to refiners.

Should all refiners confine themselves exclusively to working Centrifugals and other high grades of raw Sugar, the great mass of consumers would be deprived of cheap refined Sugar, and be unable to obtain raw Sugar fit for food. To rich consumers price is no object; to the masses, who consume the bulk of Sugar, price is everything. From the various grades of raw Sugar, beginning with Melado and No. 7 D. S. natural color, and taking every grade above that number, refined Sugar of relative grades in value, adding cost of refining, are naturally obtained, thus giving consumers the broadest latitude of choice to conform to their necessities and tastes.

To obtain from the various qualities of raw Sugar the same relative qualities of refined Sugar, the cost of refining would be about as follows for labor, bone black, etc.:

From Melado, per 100 pounds raw material....................	$1 00
From No. 7 D. S. and below, per 100 pounds..................	.80
From above No. 7 to No. 10 D. S., inclusive, 100 pounds.......	.70
From above No. 10 to No. 13 D. S., inclusive, 100 pounds......	.60
Above No. 13 D. S., per 100 pounds	.50
Centrifugals, Derosnes, according to quality...........	.40 to .50

the higher cost of refining the lowest grades, being offset by the lesser cost of the raw material.

From the highest grades of raw Sugar refiners can only make the highest grades of refined Sugar, which the masses cannot afford to buy; whereas from the lowest grades of raw Sugar refiners can make any grade of refined they see fit. In order to get the highest grades of refined from lowest grades of raw, it is only necessary to double or triple the refining process; although this increases the cost of refining, loss in weight, &c., such extra expense is met by the saving in the first cost of the lower grade raw Sugar; hence the consumer would pay the same for his A Sugar, whether it was made from the highest grade of Centrifugals or from the lowest grade of Manillas.

Beyond question it is far cheaper for us to import raw Sugars, and bring them up to higher grades by refining, than to import refined or semi-refined foreign Sugar; not only can we produce from low grade raw Sugar all grades of refined required to meet the wants of the masses, and from the higher grades of raw Sugar produce high grades of refined to meet the wants of the rich, better and cheaper than it can be done in the foreign producing country, but the home industry of manufacturing refined Sugar suited to the varied wants of consumers of Sugar food is thus benefited, encouraged and protected, while engaged in supplying the current demands of the people.

Centrifugal Sugar is merely Melado or Molasses Sugar semi-refined in the country of production and doctored in color to evade duty; it has still to be refined for consumption after it reaches this country. American refiners can make Centrifugals from Melado and below No. 7 raw Sugars, cheaper than such Sugars can by any possibility be made in Cuba or Demerara, and expend the money saved in so doing in our own country. Any duty on Sugar that discriminates in the least against low grade refining Sugars, would, under existing circumstances, be a public imposition, and a restriction upon consumers and the consumption of Sugar in this country.

Europe furnishes examples evidencing the necessity of protecting the American Refining Industry to a reasonable extent, and the fallacy of paying any bounty on refined Sugar exported beyond a drawback of the duty actually paid on the raw material; on the one hand, free trade and heavy bounty has flooded England with refined beet Sugar from the Continent, and crippled her refining industry without benefiting consumers; on the other hand, consumers on the Continent are largely deprived of refined Sugar, and taxed outrageously to meet the bounty payment that increases the cost of what Sugar they do consume.

The result of success in producing beet Sugar has been such, that France, Germany, Austria, and Russia now, 1879, pay enormous bounties on refined Sugar exported to other countries; vast quantities of refined beet Sugar are sent to Great Britain, and there sold to dealers, a shade cheaper than cane Sugar can be profitably imported, refined, and sold to dealers by English refiners, consumers actually paying about the same prices as before; many of the large refineries in Great Britain, where Sugar is refined as cheaply as elsewhere, have been closed or kept in operation at a loss to their owners on this account.

Beet Sugar producing Nations in a spirit of rivalry, are simply depriving their own consumers, and selling their refined product to England at a loss to the tax payers of the producing countries amounting to millions of dollars per annum; the result will be, that beet Sugar must be produced cheaper than cane Sugar hereafter, or its production must be limited to home consumption; it is a struggle between cane and beet Sugar production for the principal markets of consumption, in which cane Sugar will inevitably maintain the supremacy.

Adulterants.—Cane Sugar can readily be adulterated during the process of refining without detection except by chemical analysis; artificial glucose and grape Sugar may be employed for such purposes, being sweet and soluble; should chemical analysis detect their presence in refined Sugar, consumers are informed that food is converted into glucose in the human stomach, and that glucose is a constituent part of cane

Sugar, fruit and vegetables; *Ergo*, corn glucose, and grape Sugar are not adulterants!

According to some analysts, refined Sugar, particularly in Boston, has never been adulterated. One chemist analyzed "500 samples of refined Sugar, 499 of which were pure cane Sugar; one sample contained a little dirt." A Boston Sugar merchant testified before the Ways and Means Committee, Jan. 9, 1879, as follows: "I have tested Havemeyer & Elder's Sugar for eighteen months in every possible way by our chemist, and I have never found an ounce of adulterated Sugar." *Ergo*, refiners never adulterate.

American Sugar refiners know how to employ adulterants and color mordants in the manufacture and color raising of refined Sugar, and do not intend to be beaten by English and Scotch refiners, nor by one another in this regard; hence the trade testings of refined Sugar, "because it was necessary to know whether Boston refiners were selling in competition with adulterated Sugar," which have been kept up for years.

The following excerpt from testimony about adulterations and "tin-lined stomachs," given Jan. 9, 1879, at Washington, is too rich to be lost: "I knew that the statement as to the adulteration of Sugar was false; I knew it was not logical, that it was not consistent with business generally, that any large concern could go on for any time manufacturing poisons to destroy and injure human life." *Ergo*, refined cane Sugar is not adulterated with corn glucose and brightened with tin crystals to kill consumers, but merely to cheat them.

Refined Sugars have been more or less reduced in quality and value with corn glucose and other substances, and made to appear bright and beautiful by the use of muriate of tin, where the refiner lacked the necessary skill required to make even handsomer Sugar by the natural process of skillful refining. The careless or unskillful refiner must make up for his deficiencies in that regard by injecting muriate of tin into his Syrup; whereas by the natural and proper process of making his Syrup and bone black leaching, the refiner who knows and attends to his business can produce the requisite color and grades without employing color mordants.

Adulterants abound in raw and semi-refined foreign Sugar; raw beet Sugar is offensive to smell and taste, being heavily charged with potash in addition to natural impurities; raw cane Sugar is laden with adulterants of various kinds, some of which are more offensive than potash and lime; these adulterants rapidly generate "Acari," and neither the impurities nor the animalcule are wholly eliminated until the Sugar has been fully refined.

Refiners of small means and less capacity, would be likely to stretch refined Sugar made from the better grades of raw Sugar by the use of corn glucose; although such practices would hasten their own downfall, it should be borne in mind that the higher the quality and cost of raw Sugar used for refining, the greater the profit from the use of glucose as a stretcher; the cost of a good article of corn clucose being so near that of raw Sugar, the profit from using glucose in Sugars below No. 7 D. S. in refining them, is not worth the venture, and would not be practiced in any well ordered and prosperous refinery.

Analysts and analyses of Refined cane Sugar agree substantially that such Sugars have been found to be stretched with corn glucose and other substances inferior to cane Sugar, and raised in color by the use of sulphur, muriate of tin and other substances; chemicals employed in the process are not always properly eliminated before such refined compound is sold to the consumers; in such cases the Sugar, unless quickly consumed, soon begins to discolor, revealing the practice and disgracing the practitioner. Coloring soluble salts are not eliminated if used.

Raw cane Sugar contains a varying per centage of Sugar that will harden but not crystalize, termed bastard or invert Sugar, which is rich in saccharine strength, and may be turned into Syrup for consumption, or be utilized in refining to produce the cheaper grades of refined Sugars required for consumption; such Sugar assimilates to natural glucose or fruit Sugar, but is pure cane Sugar; analysts have in many instances evidently mistaken invert Sugar for corn glucose, and been led thereby to erroneous and untenable conclusions when examining refined Sugar, known to be perfectly pure cane Sugar.

The raw Sugars of Louisiana, which enter into immediate consumption, are made golden and beautiful in color by the skillful use of sulphate of lime and muriate of tin: otherwise such Sugars, not being clayed nor refined, would naturally be of a greyish yellow or light brown color, resembling clean dry Muscovadoes of high grade. Corn glucose is extentensively used to adulterate cane Sugar Syrup. Syrup is also made entirely of glucose, assimilating to pure cane Syrup While artificial glucose is in a general sense harmless, its continued use as food, in Syrup or Sugar, is irritating and injurious to the kidneys and urinary organs.

There is no United States law against reducing the quality and value of refined Sugar, or any other article of food, by the use of inferior substances. Food adulterants are not even defined in the laws of this country. Congress should enact laws and penalties that will effectually protect consumers against adulterations of any description, harmless or otherwise, in refined Sugar and Syrup, that should also apply to all other articles of food, and be clearly definitive in regard to what constitutes adulterations, compelling merchants to label their goods accordingly, which is also the proper and only method of putting a stop to making indefinite and general charges against refiners of Sugar in regard to adulterations.

SECTION IV.

DUTIES ON SUGAR—UNITED STATES SUGAR TARIFFS—ENGLAND'S FORMER SUGAR TARIFF—FRENCH PROTECTIVE SUGAR TARIEF—METHODS OF LEVYING DUTY ON SUGAR—THE DUTCH COLOR STANDARD—THE POLARISCOPE—SAMPLING SUGAR FOR DUTY CLASSIFICATION — TARIFF PLANS OF SUGAR MERCHANTS AND REFINERS—ABORTIVE SUGAR TARIFF BILLS—CANADIAN SUGAR TARIFFS—RELEVANT TOPICS—SUGGESTIVE DUTY SCHEDULE—DATA AND DEDUCTIONS.

Beginning with the general United States tariff, duties on Sugar have been levied substantially as follows in the years named:

1789—On all raw Sugar, 1 cent; on refined, 3 cts. per pound.
1790—On all raw Sugar, 1.50 cts.; on refined, 5 cts. per pound.
1794—On 2 grades Sugar, 1.50 and 2.50 cts.; on Refined (*3), 9 cts. per lb.
1797—On 2 grades Sugar, 2 and 2.50 cts.; on refined (*3), 9 cts. per pound.
1804—On all raw Sugar, 2.50 cts.; on refined (*3), 9 cts. per pound.
1812—On all raw Sugar, 5 cts.; on refined (*6), 18 cts. per pound.
1816—On all raw Sugar, 3 cts.; on refined (*4), 10 and 12 cts. per pound.
1832—On all raw Sugar, 2.50 cts.; on refined (*3½), 10 and 12 cts. per lb.
1842—On all raw Sugar, 2.50 cts.; on refined (*4), 6 cts. per pound.
1846—On all raw and refined Sugar, 30 per cent ad valorem.
1857—On all raw and refined Sugars, 24 per cent ad valorem.
1861—On all raw and refined Sugars, 7.50 millis per pound.
August 5, 1861—The Dutch color standard was adopted.
1861—Not above No. 12 D. S., 2 a 2.50 cts.; above 12 D. S., 2.50 a 3 cts.
1862—To No. 12 D. S., 2.50 cts.; to 15 D. S., 3 cts.; above 15, 3.50 cts.
1864—To No. 12 D. S., 3 cts.; to No. 15 D. S., 3.50 cts.; above 15, 4 cts.
December 20, 1870.—The present Sugar tariff schedule was adopted.
March 3, 1875.—25 per cent (ad val.) was added to said schedule.

The duties now supposed to be levied upon Sugars are as follows:

Sugar not above	No. 7 D. S.	in color, per lb.,	1¾c.,	plus	25	per ct..	2.1875c.
" "	No. 10 D. S.	" "	2 c.,	"	25	"	2.50c.
" "	No. 13 D. S.	" "	2¼c.,	"	25	"	2 8125c.
" "	No. 16 D. S.	" "	2¾c.,	"	25	"	3.4375c.
" "	No. 20 D. S.	" "	3¼c.,	"	25	"	4.0625c.
" above	No. 20 D. S.	" "	4 c.,	"	25	"	5.00c.
On Syrup. Melado, Tank bottoms, etc.		....	1½c.,	"	25	"	1.8750c.
On Molasses, per gallon		....	5 c.,	"	25	"	6.25c.

(*) White clayed or powdered advanced beyond a raw state.

The rates allowed as drawback on refined Sugar exported as being entirely the product of foreign duty paid Sugar, have from time to time been fixed by the Government; since the Dutch Standard was adopted Sugar drawback has been allowed, the rates having been fixed as follows:

August 5, 1861—On refined hard Sugar, 3 cts. per pound. On B and C lower grades, 2 cts. per pound. On Syrup, 5 cts. per gallon; all less 10 per cent to the Government.

March 29, 1875—On refined hard Sugar, 3.75 cts. per pound. On B and C. lower grades, 2.50 cts. per pound. On Syrup. 6.25 cts. per gallon; less 1 per cent on Sugar and 10 per cent on Syrup to the Government.

December 17, 1875—On refined hard Sugar, 3.60 cts. per pound. On refined coffee Sugar above No. 20 D. S., 3 cts. per pound. On refined coffee No. 20 D. S. and under, 2.50 cts. per pound. On Syrup, 6.25 cts. per gallon; less 1 per cent on Sugar and 10 per cent on Syrup to the Government.

October 1, 1877—On refined hard Sugar, 3.18 cts. per pound. On refined coffee Sugars above No. 20 D. S., 2.58 cts. per pound. On refined coffee Sugars No. 20 D. S. and under, 2.08 cts. per pound. On Syrups, 6.25 cts. per gallon; less 1 per cent on Sugar and 10 per cent on Syrups to the Government.

Reviewing the foregoing Sugar tariff tables, it will be observed that from 1789 to 1846 Sugar was in fact divided into two classes for levying duty—raw and refined. In 1846 Congress was beset by a mania for reducing the revenue and for ad valorem duties. Among a multitude of articles Sugar was changed from specific to ad valorem duty. In 1857 the work was continued by Congress, and in that year a further reduction of 20 per cent from the tariff of 1846 was made.

With the adoption of the Dutch standard in 1861 specific duty was again levied upon Sugar, virtually dividing it into three grades—raw, semi-refined and refined. This classification continued until the adoption of the Sugar tariff of 1870, which subsequent events have shown was evidently demanded in the interests of consumers, in order to introduce low grades of raw Sugar for refining to meet the growing demand among the great mass of consumers for cheap refined Sugars, which could not be made in sufficient quantity from high grades of raw Sugars, unless such were adulterated for the purpose. (See Section II. for classifications.)

Great Britain abolished duty on Sugar in 1874, having a manufacturing competitive eye to windward, and a natural desire to favor consumption of her colonial Sugars; duties were levied on Sugars in England in 1870 to 1874 as follows:

ENGLISH CLASSIFICATION OF, AND DUTIES ON SUGAR IN 1870.

112 lbs.	£. s. d.	Reduced to cts.
Sugar refined or equal in quality thereto, per cwt.	0 6 0	1.339 per lb.
First-class not equal to refined.............. .	0 5 8	1.258 "
Second " " "	0 5 3	1.169 "
Third " " "	0 4 9	1.053 "
Fourth-class, including cane juice..........	0 4 0	0.892 "
Molasses..	0 1 9	0.383 "

In 1874, England reduced the Sugar duty on the above named classes to the following rates per cwt.; Refined, 3/; 1st class, 2/10; 2d class, 2/8; 3d class, 2/5; 4th class, 2/; Molasses, 10d. Shortly after this almost inoperative schedule was enacted, the duty on Sugar was abolished as above stated; the chances now are that it will ere long be restored.

It will be observed that Great Britain levied Sugar duty upon several different classifications. England found it impracticable to attempt a uniform duty on Sugar, because such a duty would be arbitrary and unjust towards consumers, refiners, and the general Sugar trade; and safely relied upon her Administrators of the Custom Service to execute revenue laws and collect the proper revenue from Sugar; both of which have been done efficiently in that country without a tithe of the unwarrantable fuss and expensive meanderings made by Treasury Officials in such matters in this country.

It was found necessary in England, in 1854, to grade duties on Sugar, in order to admit low grades formerly excluded by a high tariff. Again, in 1862, the House of Commons appointed a select committee "to enquire into the operation of the (then) present scale of Sugar duties, with a special reference to their assessment upon a classification according to the quality of the Sugar." After a most searching investigation, continued during two months, the committee reported to the Commons, among others, the following resolution:

"Resolved, That in the opinion of this committee it is necessary to maintain the principle of a scale of duties, with standards designed to include several classes of Sugar within each range of duty."

The Sugar tariff of France is substantially as follows: Duty is levied on 100 kilogrammes, or fractions thereof, in all cases, and based upon sample grading by the color standard. A kilogramme is about 2.2 lbs., (2.204621 lbs.)

On all raw Sugar up to but not including No. 13 type:

Kilogrammes.	Product of Europe.	European Ports.	Foreign Ports.
Per 100 kils.	66 francs.	66 francs.	63 francs.
On all raw Sugars, Nos. 13 to 20 type, both inclusive.			
Per 100 kils.	69 francs.	69 francs.	66 francs.

On Sugar above No. 20 type, and on Sugars assimilating to refined, from the Antilles and certain named French colonies and possessions, when imported direct, per 100 kils., 67.50 francs; from other French possessions in foreign countries prohibited. Refined Sugar from the Antilles and certain named French colonies and possessions, when imported direct, per 100 kils., 70.50 francs; from all other French possessions and foreign countries prohibited.

Owing to her capacity of beet Sugar production, France levies a prohibitory duty on foreign Sugar, to protect and encourage home culture of the Sugar beet, and the manufacture of beet root Sugar, and in order to stimulate exportation. France annually exports on the average more refined Sugar than the United States and England combined, and pays a heavy export bounty thereon. She also meets out condign and speedy punishment to dealers and manufacturers who attempt the sale of raw or refined Sugar, or other articles of food, that contain adulterants of any kind.

England employed a class standard of her own for levying duties on Sugars, which may be said to be a compound of the Dutch Standard of color and a class standard assimilating thereto; but the use of the Dutch Standard by English sugar merchants for trade purposes has been general and invariably reliable. Sugars are ordered by D. S. number from India and elsewhere; and the testimony is that Bengal and Madras refiners and producers can work up their Sugars to within three pence (3d.) per cwt. of any desired standard, having only experience and knowledge of qualities to guide them.

France employs the color standard for levying duty upon Sugar, and as an adjunct in commercial transactions in Sugar; the Dutch Standard has been employed for levying duty on Sugar in this country since its adoption by Congress in 1861; for that purpose, combined with the English system of intrinsic foreign market value classification grading, the Dutch Standard is undoubtedly the best method of classing raw Sugars for levying duty thereon, that has ever been emyloyed in any country.

The Dutch Standard originated in Holland, where sworn Sugar Brokers annually classify the Sugar crops of Java and other Dutch dependencies according to the natural color of the raw product; numbering the different shades from one to 20 and 22, beginning with wet Sugars nearly black, and ending with white Sugar; having separated the Sugar into grades of natural color the samples are placed within glass bottles, sealed and numbered accordingly; sales are then made of the coming crop, to accord with the samples in the sealed bottles.

Evasions of duty on Sugar are accomplished by false sampling of Muscovado and Derosnes Sugars, and by discoloring Centrifugal Sugars during the progress of making; thus presenting to the Government unnaturally colored samples of imported Sugars to be compared with Dutch Standards for the purpose of levying duty on false classifications, to evade the payment of propor duty; in such transactions, official collusion and administrative stupidity, effectually co operate with duty evasionists in the nefarious practices.

Dutch Standards represent the natural color of raw Sugar. After ascertaining the intrinsic value of the raw Sugar, it is thus measured and graded, and in connection with experience and knowledge, said standard forms a reliable guide to merchants and refiners. False samples and unnaturally colored Centrifugal Sugars presented for duty appraisement do not make it obligatory upon the Government to levy duty according to such misrepresentations simply because false samples and outside appearances of Centrifugal Sugars conform to a certain color shade of the Dutch Standards; on the contrary, it is the business of the Government to discover such impositions, measure the Sugars imported by their commercial value, both in the market of production and the home market, and levy duty according to their natural color thus developed, which is well understood by the Sugar trade.

The polariscope already described by the writer in former pamphlets, has attained importance on account of its well known capacity to accurately determine the percentage of crystallizable Sugar in a given quantity of raw Sugar material; for that purpose alone it is a valuable adjunct to merchants and refiners knowledge and experience in guiding their transactions to suit the wants of consumers, and the market for certain grades of both raw and refined Sugars.

For the mere purpose of levying duty upon raw Sugars, as regards low grades, the Polariscope would be a useless superfluity, as raw Sugars No. 7 and below in natural color, are known at sight by the trade, and do not evade duty; and it would be ordinarily extremely difficult to obtain equitable samples of below No. 10 D. S. Sugar for testing in the Polariscope. As regards Centrifugals of a natural color up to and above No. 13 D. S. in color, which uniformly test above 92 degrees of sugar crystals, but which are readily discolored down to No. 10 and No. 7 D. S. to evade duty, and as regards Derosnes and dry Muscovadoes, the Polariscope would be a useful adjunct to the Dutch Standard; although Centrifugals are a definite class of Sugars of well-known value, and of natural color value equal to or above No. 13 D. S., and should be so classed for duty in any event.

Equitable sampling of imported Sugar for the purpose of levying duty thereon, is of paramount importance, and perfectly practicable when honestly set about; if not how is it that sugar merchants and refiners find no trouble about sampling imported Sugar for purposes of trade? Any experienced importer or refiner of Sugar will accurately classify raw Sugars actually below No. 10 in natural color and quality with his eyes shut, by merely handling and smelling it. If Customs officers with their eyes open cannot, under the Dutch standard, draw an honest sample from a package of raw Sugar, the Government had better take samples from the buyer and sellers' samples, and levy duty in accordance therewith.

Mr. S. B. Dutcher, Appraiser at New York, bore testimony to the want of system in sampling Sugar at New York, before the Wood Ways and Means so-called Investigation Committee, September 16, 1878; to obtain an equitable sample by the methods adopted by New York samplers, acting under Mr. Dutcher's instructions, would be impossible, and hardly an improvement over the more ready "dump cask" plan of sampling.

The following equitable and sensible plan of sampling Sugar is excerpted from the Customs regulations of Great Britain, when duties were levied on Sugars in that country; it is also employed by Sugar dealers in Europe and elsewhere:

"When practicable the cask should be raised from the hold of the "ship in the same position in which it is stowed; a white mark should "be placed on the cask to denote the top or part which was uppermost in "the hold. The samples should be drawn by cutting a hole in the top "stave opposite the 'foots,' and about half way between the two heads, "through which hole the sampling iron should be driven in by a hammer or mallet if necessary, till it strikes the bottom stave; after giving "the iron two or more turns it should be withdrawn, and the whole of "the sugar so brought out should be thoroughly mixed together to form "the sample by the whole or part of which the duty is to be assessed.

"To effect this mode of sampling, the cask should be partially turned "over so that the sampling iron may penetrate the cask obliquely, as "otherwise it will be impossible to draw out any sugar; as the 'foots' "will be included in the sample, no discretion in assessing the duty should "be exercised on account of the larger quantity of 'foot' that some Sugar, "such as Cuba and Barbadoes, generally contains. This mode of sam- "pling, however, will not be applicable to vacuumpan crystalized Sugars, "which must be sampled by driving the sampling iron from head to "head."

Centrifugal Sugars being dry and of large grain, there is no difficulty in sampling; the entire contents of a hogshead or package of Centrifugal Sugar present precisely the same condition; "foot" is an impossibility in such Sugars, which are about of the mobile consistency of dry sand throughout; hence like Derosnes and all vacuumpan crystallized Sugars, Centrifugals should be sampled "by driving the sampling iron from head to head;" in short, the pretended obstacles to obtaining equitable samples of Sugar for levying duty thereon, under the Dutch Standard, are vapid excuses for official dereliction of duty.

Various Sugar tariff plans have recently been urged upon the attention of Congress. The modified "Boston Plan" of levying Sugar duty, as finally presented to the Ways and Means Committee, at Washington, Jan. 8, 1879, reads in substance as follows: On all Tank bottoms, Concretes, Syrup of Sugar cane, Melado, and raw Sugars, not above No. 13 D. S. in color:

Testing in the Polariscope not above 75 degrees	1.50c.	per lb.
For every additional degree to 99, $\frac{5}{100}$ cts. additional duty		"
On all Sugars above No. 13 D. S., not above 16 D S.	3. c.	"
" " " No. 16 D. S., " 20 D. S	3.50c.	"
Above 20 D. S. and on refined Sugars.	4.25c.	"
On Molasses testing not above 56 degrees	5. c.	per gal
On Molasses testing above 56 degrees	10. c.	"

The Boston plan proposes 28 classification lines for levying duty on Sugar, and advocates a waste of time in testing Melado and all well defined low grade Sugars known at sight as No. 7 and below, in the Polariscope; while No. 14 and above Sugars, are to come in under color classification without being tested; as Centrifugals test 92 and above, and are readily colored down to No. 10, or even to No. 7 D. S. ad libitum; those Sugars would come in at about 2.50 cents per lb., when they should at least pay a 14 to 16 duty; the Boston plan is, for numerous reasons, unfair and impracticable.

No. 13 to 16 D. S. in color Sugars, are made to test anywhere up to 99, and can be toned down to No. 7 D. S. in color for duty. A merchant of Boston testified before the Ways and Means Committee Jan. 9, 1879, that his firm "contracted for raw Sugar at a 96 degree test, with a guarantee that it should not be above No. 10 D. S. in color," for duty purposes; this explains why 26 cargoes tested uniform, and shows what a valuable adjunct the Polariscope is in evading duty.

Such transactions furnish a key to all plans that advocate a Dutch Standard for levying duty on Sugar above No. 13, and the Polariscope test below No. 13 D. S.; the honest and patriotic merchant has simply to contract for raw Sugars on a 14 to 20 Polariscope test basis, and demand a guarantee from the producer that the Sugar shall be dark enough in color to evade the duty upon No. 13 D. S. in color or above; the long rigmarole of degrees from 75 degrees at 1.50 cents per lb., to 99 at 2.70 cents per lb. proposes to admit discolored Sugars testing 92 to 98—being No. 16 to 20 in quality and value, but doctored in color to evade duty—at 2.40 to 2.60 cents per lb.; while honestly made clean raw Sugars, including grocers Sugars suitable for eating, testing only from 90 to 96, although in color No. 14 to 20 must pay 3 cents, 3.50 cents, or even more per lb.

The following Sugar tariff plan was presented to the Ways and Means Committee at Washington, Jan. 8, 1879, by the Baltimore Committee as the "Baltimore Plan: "On all Tank bottoms, concretes, Syrup of Sugar cane juice, Melado, concentrated Melado, concentrated Molasses, and on all Sugar testing by the Polariscope not above 75 degrees $1\frac{75}{100}$ cents per lb., with an addition of $\frac{5}{100}$ of a cent per lb. for each and every degree or fractional part of a degree above 75 degrees, without regard to color; on all Molasses 6½ cents per gallon; on all Sugars grown or manufactured in Europe, an additional or discriminating duty, sufficient for the reasonable protection of the refining interests of this country."

The "Baltimore Plan" proposes 25 classification lines for levying duty, entirely by the use of the polariscope, and to admit refined Sugar at 3 cents per lb., except such as might come from Europe. The plan is crude, complicated, and impracticable.

A Sugar tariff memorial presented Jan. 8, 1879, to the Ways and Means Committee, recommends the assessment of Sugar duty on the ad valorem system; "otherwise we (the memorialists) then unite in recommending the two following amendments to the existing tariff": First: "On all Sugars not above No. 10 D. S., testing 92 degrees, 2.25 cents per lb., plus 25 per cent." Second: "On all Sugars above No. 13, not above No. 16 D. S., 2.50 cents per lb., plus 25 per cent, in lieu of the present duty on those grades."

The above plan would somewhat increase the aggregate tax on Sugar, which should not be done; but would encourage the importation of low grade Sugars. No. 7 D. S. and below, which would benefit consumers. The reduction of duty, on 13 to 16 D. S. Sugars, offsets in part the increase of duty on low grades. The above plan stops short of essential requirements, but would improve the present tariff. Any attempts to definitely fix the foreign value of Sugar by polariscope tests alone will, however, fail. Color, grain, and appearance are recognized and powerful factors in determining the value even of low grade Sugars, and will continue to be so.

A Sugar tariff plan based upon a uniform duty on all Sugar to No. 16 D. S., was presented to the Ways and Means Committee Jan. 9, 1879, which reads as follows:

On tank bottoms, Syrup of Sugar, cane juice, Melado, and concentrated Molasses, and on Sugar not above Mo. 16 Dutch Standard in color, 2 cents per lb.

On all Sugar above No. 16 Dutch Standard in color, and on all re fined Sugar, viz: loaf. cut loaf, lumps, crushed, powdered, granulated, and soft white or yellow, known as "Coffee Sugars," 4 cents per lb.; Molasses, 6 cents per gallon.

Thorough investigations of customs revenue abuses by the writer during many years, with unrivalled facilities of adequate information and persistence therefor, in the interests of the people, long since supplied the knowledge that unless the conduct of the Custom Service is radically reformed by Executive enforcement of existing revenue laws, regardless of political aspirations, and the consequent collection of the revenue assured, it would be better, in the matter of Sugar at least, to adopt a uniform tariff to No. 16 D. S. on all raw Sugars, in order to remove facilities for evasion of Sugar duty now furnished by official delinquencies and supineness. In 1877, the writer projected the No. 16 D. S. basis on that ground.

Since studying still more deeply and earnestly the capacity and wants of the people as Sugar consumers, and the existing necessities for an unlimited supply of all grades of raw Sugar material, suitable for refining an adequate supply of refined Sugar food, of every grade required to meet the varied wants and means of all classes of consumers, the writer believes that any uniform duty up to No. 16 D. S., however low, would be an arbitrary and unjust restriction upon consumers, refiners, and the growth of sugar consumption in this country; and that therefore the proper solution of the Sugar question is, for the Executive to enforce the execution of the present revenue laws, and collect the revenue from Sugar under the natural trade classifications of the present tariff, with certain modifications thereof named hereafter; or admit the incapacity of the Department, and solicit Congress to abolish the duty on Sugar forthwith and tax the people otherwise in lieu thereof.

Various attempts have been made to compound a Sugar tariff, with and without the Polariscope, which shall be uniform to No. 13 D. S.; notable among which, in addition to those already described, are: the tariff plan adopted by the Ways and Means Committee February 27, 1878, but not enacted; the Secretary of the Treasury's plans, two of which were laid before the House in December, 1878, and in January, 1879, and cast aside; while a third, called the Treasury Department minority plan, remains unfinished business.

A compound of the above named and other No. 13 plans with the No. 16 D. S. plan, was fashioned and embodied in the Sugar Bill, agreed upon by the Ways and Means Committee in January, 1879. The bill was reported to the House January 21, 1879, read twice, recommitted, again brought up, and finally withdrawn by permission of the House. The "Robbins" No. 13 Sugar Bill reads as follows:

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That tank bottoms, syrups of sugar cane juice, Melado, concentrated Melado, concentrated Molasses, and all Sugars not above No. 13 Dutch Standard in color, shall pay a duty of two cents and forty hundredths of a cent per pound; above No. 13 and not above No. 16 Dutch Standard in color, shall pay a duty of two cents and seventy-five hundredths of a cent per pound; all above No. 16 Dutch Standard in color shall pay a duty of four cents per pound; *Provided*, That nothing herein shall be construed to alter or repeal the act entitled 'An Act to carry into effect a convention between the United States of America and his Majesty the King of the Hawaiian Islands, signed on the thirteenth day of January, eighteen hundred and seventy-five,' which act was approved August fifteen, eighteen hundred and seventy-six."

In regard to the last clause of the above bill, it should be said, Sugars from China and countries adjacent thereto can readily be landed at the Hawaiian Islands, and subsequently enter this country as Hawaiian Sugar, exempt from duty, under the 1875 treaty between the United States and those Islands; from 14,828,363 pounds imported therefrom in 1873, the imports rose under the treaty to 30,685,142 pounds in 1877 and 30,368,328 pounds in 1878.

One-sided reciprocity treaties seem to constitute a mania with this Government. Another is now mooted with Cuba, which country buys from us in round numbers $15,000,000 in value of American merchandise per annum, and sells to us $71,000,000 in value of her own products. The growing necessity of retaining this market for her raw Sugars, will do more for our commerce in Cuba than any reciprocity treaty. Meanwhile limited liability "Havana Sugar Refining Companies" are projected to convert Cuban plantation Sugars into Centrifugals for this market; and, regardless of consumers' interests, efforts are making in this country to prohibit low grades and avoid restrictions against Centrifugal color doctoring to evade duty, by urging a uniform duty on all Sugars not above No. 13 D. S. in aid of such foreign enterprises.

The enactment of the No. 13 Bill above given, or of any Sugar tariff based upon uniform duty up to No. 13, would be highly arbitrary and pernicious in its requirements, would increase the tax on sugar food, restrict consumers and the consumption of Sugar, legalize the present illicit evasions of duty, and foster crooked transactions in the making and sale of Centrifugals. A uniform duty to No. 13 would utterly fail to benefit consumers in any manner in return for the deprivations; it would also increase the duty on low grade Sugar and Melado, which are of prime necessity to 48,000,000 of people, nearly or quite to prohibition.

Uniform duty to No. 13 would establish two class lines at No. 13 and No. 16, both of which already produce nearly all of the money inducements to evade duty, and enable importers to enter discolored Centrifugals which would naturally grade about No. 13, or above, as not above No. 13 D. S., which would be a continuation of the present illicit game of duty evasion on an enlarged scale.

The following Sugar tariff is still in force in the Dominion of Canada—40 Victoria, Chap. XI.—but will soon be superseded by the new tariff

On Sugar above No. 13 D. S.....	1c.	per lb.	and	25	per cent ad val.
On No. 9 N. A. 13 D. S...........	¾c.	"	"	25	" "
On below No. 9 D. S.............	½c.	"	"	25	" "
On cane juice and Syrup.........	⅝c.	"	"	25	" "
On Melado and Concrete.........	⅝c.	"	"	25	" "
On Molasses for refining..............................					73c. per 100 pounds
On Molasses not so used................					25 per centum ad valorem

The new Sugar tariff o: the Dominion of Canada proposes to levy duty substantially as follows:

On Melado and Concrete.........	per lb.	¾c.	and	30	per cent ad val.
On Syrup of cane..................	"	½c.	"	30	" "
On raw Sugar below No. 9 D S...	"	½c.	"	30	" "
On No. 9 to not above 14 D. S.....	"	¾c.	"	30	" "
On all Sugar above No. 14 D. S...	"	1c.	"	35	" "

It will be observed that Canada aims at two important objects in the above tariff. First, to admit all low grades of raw Sugar at low rates, under an equitable adjustment of classes and duty thereon, in order to encourage consumption and the re-establishment of Canadian refineries; and next, to restrict the importation of refined Sugars from the United States by counteracting our drawback, thus virtually placing her trade in refined Sugar in the hands of English refiners until Canada can again refine Sugar for home consumption. For instance, the duty on all Sugar above No. 14 would be 1 cent per lb. and 35 per cent. ad valorem; refined Sugar, costing 7 cents, would pay 3.45 cents per lb. duty; 8 cent refined Sugar would pay 3.80 cents duty; 9 cent refined Sugar would pay 4.15 cents per lb duty.

Every attempt to equitably levy duty on Sugar, under an ad valorem tariff, will come to grief; it should, however, be, as near as practicable, approached in specific rates, (see Section II. on classifications) the systematic under-valuation of dutiable merchandise on Custom House invoices, under the subterfuge of declared values, in reality merely invoice prices. The neglect of the Treasury Department to provide Customs officials with adequate current information, and the vapid administration of the Customs service, present far more serious obstacles to the collection of duties under an ad valorem tariff than do false classifications under a specific tariff.

Consumption of Sugar is in inverse ratio to the rates of duty. Under the highest duties consumption is at the least; under the lowest duties consumption reaches its full capacity. A uniform duty on all Sugar would be dangerous to public interests, unless it was low enough to stimulate the consumption of high grades, and still encourage increased consumption of low grades among the masses who cannot afford to buy high grades of raw, semi-refined or refined Sugar.

One duty on all Sugar would reduce the price of fine refined Sugar to the rich, who consume regardless of price, and raise the price of lower grade Sugar to the poor, who use seven-eighths of all the Sugars that enter into consumption. This would seriously reduce consumption, because price is a powerful regulator with the poor and middling classes. Decrease consumption and you increase the tax; increase consumption and you reduce the tax.

As shown herein, England, France, Canada, and other countries find "that it is necessary to maintain the principle of a scale of duties with standards designed to include several classes of Sugar within each range of duty;" the United States cannot safely do otherwise; owing to the increased production of beet Sugar in Europe, the bulk of all raw cane Sugar must find a market in the United States; Congress cannot determine what grades of foreign Sugar will be produced, neither can that body fix the foreign market value of sugar nor discriminate a fraction against low grades for refining, without directly interfering with the rights of their constituents.

When the Executive and Treasury officials conclude to set about enforcing the Revenue laws, the faithful collection of duties on imports without oppressing honest merchants will follow; evasions of Sugar duty by "dump cask" and unskillful sampling, discoloring Centrifugals, false weighing, loss of cargo identity, and all other illicit practices, will be abated when officials faithfully perform their duties under existing revenue laws; the pretense of reforming these public abuses through Ways and Means sub-Committee, and Special Agents investigations,—the latter of which have already cost the people in the matter of Sugar alone an immense sum uselessly expended,—are vapid and watery meanderings.

The present tariff classification of dry Sugar is in accordance with trade usage, and is therefore adequate and equitable. There is no doubt but that the low grades of raw Sugar will be manufactured and consumed to an enormous extent if admitted at a pro rata of value rate of duty, nor that, at the same time, the consumption of high grades, particularly Centrifugals, will be correspondingly increased.

After most searching analyses of the various topics of the Sugar question in all their ramifications and bearings upon public interests and the demands of consumers, the conclusion reached by the writer is, that the following modifications of the present Sugar tariff, will accomplish the most beneficent results for the people and Government of the United States.

First—The classification of Melado as not above No. 7 D. S. Sugar.

Second—Abolish the additional 25 per cent ad valorem on all Sugar.

Third—Strike out the words, "after being refined," in the section relating to colored Sugars.

Fourth—All Sugar under No. 10 D. S. in color, containing ninety-two (92) per cent or more of crystallizable Sugar, to pay the same duty as Sugars above No. 10 and not above No. 13 D. S. in color.

Such moderate changes in the present tariff will enormously increase the consumption of Sugar, and furnish ample revenue from Sugar food without injuriously affecting any public or National interest, and will benefit consumers inestimably.

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